A SPECIAL REPORT ARTS & ANTIQUES

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TODAY: MONEY Canadian and Spanish Properties

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Japanese Seize Drugs On North Korean Ship

$100 Million Haul of Amphetamines Reinforces Regime's 'Criminal' Image

By Mary Jordan and Kevin Sullivan
Washington Post Service

TOKYO — Japanese police seized almost $100 million worth of illegal drugs from a North Korean cargo ship Friday, the latest sign that the Stalinist nation is using illegal means to raise sorely needed cash.

The seizure of the amphetamines, which had been labeled as honey, comes as the Japanese government is weighing whether to give North Korea food aid and as the United States tries to draw the well-armed nation into peace talks.

Japanese police discovered 70 kilograms (155 pounds) of the illegal stimulants in the hold of the freighter Ji Song-2 in the Pacific Coast port of Hososhima. The freighter had left Naupo, North Korea, on April 5. Two men, apparently ethnic Korean residents of Osaka, were arrested, and the crew was being questioned.

A $100 million cache of illegal drugs is big anywhere, but especially so in Japan, which has some of the world's toughest drug laws and lowest levels of abuse.

Relief groups scramble to get food aid to the famished North. Page 5.

"The image of a criminal North Korea will increase" after the arrest, said Yasunori Sone, a political science professor at Keio University.

He said Japanese were divided over whether to provide food aid to North Korea, with some people arguing that starving children should be fed regardless of their country's politics or military.

But the amphetamines seizure, Mr. Sone said, will strengthen the argument of those who say North Korea cannot be rewarded for spending its money on missiles instead of rice. These people argue that North Korea cannot be trusted even to feed the hungry because it promotes "kidnapping, drugs, forgery and other crimes," he said.

Tamotsu Shitosuka, who writes about North Korea frequently for the national newspaper Sankei Shimbun, said North Koreans had bought sophisticated machines in Japan that are used to detect fake banknotes, as they seek to upgrade their counterfeiting techniques.

North Koreans have been arrested in Cambodia and other countries for passing bogus $100 bills. Some of those arrested were carrying diplomatic passports, leading law enforcement authorities to believe that Pyongyang had approved counterfeiting.

Washington has criticized Pyongyang for seeking to sell ballistic missiles to Syria, Iran and other countries.

"This is their national policy to do anything, including selling drugs or arms, to get foreign currency," Mr. Shitosuka said.

As North Korean teeters on the brink of famine, it has engaged in an aggressive attempt at repairing its international image.

But mindful of strong public anger over accusations that Pyongyang kidnapped Japanese in the 1970s to help train spies, Prime Minister Ryutaro Hashimoto has so far refused to provide new food aid to Pyongyang.

Iran Radicals Warn Germany Of Retaliation

By William Drozdiak
Washington Post Service

BERLIN — The leader of an extremist Shiite Muslim fundamentalist group in Iran threatened Germany on Friday with suicide bombings if it did not apologize for a court ruling that blamed Iran's leadership for ordering the assassination of Kurdish dissidents here in 1992.

It was the first explicit warning of violent retribution in the wake of last week's verdict by a Berlin court, which convicted an Iranian and three Lebanese of murdering the Kurds at a local restaurant. The court said the killers were acting on instructions from Iran's highest authorities.

European Union nations withdrew their envoys from Iran after the ruling.

Germany has stepped up anti-terror vigilance at international airports and around government buildings in the last few days, officials said. Italy also has moved to a high alert after its intelligence agency warned of possible attacks by Islamic extremists.

"We will confront insults to Islam and our religious leadership wherever in the world they occur," Hossein Allah Karam, head of the Ansar'e Hezbollah group, told a crowd outside the German Embassy in Tehran. "We are even ready to strap a bomb around our waists

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Havakuk Levison/Reuters

EXCHANGE — Benjamin Netanyahu, right, the Israeli leader, speaking with the U.S. special envoy, Dennis Ross, during the funeral Friday in Jerusalem for former President Chaim Herzog. Israeli television speculated that Mr. Netanyahu may escape indictment for fraud. The background of the scandal, Page 2.

The Euro Moves to Center Stage

Common Currency a Fetish in Britain, France and Germany

By Craig R. Whitney
New York Times Service

PARIS — The increasing likelihood that the European Union will go ahead on schedule with a common currency in 1999 has made it the defining issue of domestic politics across the 15-nation group.

The euro has become an obsession not only in Britain's election May 1 but also in France.

This weekend, officials say, President Jacques Chirac is mulling over whether to dissolve Parliament and call elections this spring to win a mandate to extend the painful government spending cuts needed to qualify France to join the new currency in a year. (Page 2)

Chancellor Helmut Kohl's recent decision to run for another four-year term next year in Germany was widely seen there as a sign of his determination to see the euro through even though Germany, which insisted on strict fiscal criteria in the first place, will also have trouble meeting them.

Spain and Italy worry that they might not get in. Prime Minister John Major's Conservatives don't know whether they want in or out, and many European officials on the continent expect that the British elections will resolve the issue with a clear victory by the opposition Labour Party.

Worry about the euro has also pushed broader European issues off center stage. Formerly Communist countries in central Europe that once hoped to join the European Union by 2000 are now being told that they have no chance before 2002, 2003 or 2004, according to officials in Brussels.

The distraction of the euro has also made it impossible for the European Union to decide how to streamline the group's dizzyingly complex decision-making procedures before new members come in and make the process still more unmanageable.

An intergovernmental conference that started in Rome in early 1996 was supposed to resolve the issues last year and allow complicated negotiations with prospective new members to begin.

But even the participants agree that the conference, which has since moved to Brussels, made little progress on modifying the European Union treaty to get ready for expansion.

Hoping to bring the conference to completion by a planned European summit in Amsterdam in mid-June, the 15 foreign ministers recently agreed to try to kickstart the stalled talks with a special meeting in Luxembourg at the end of this month. If that fails, they may call an emergency pre-summit meeting of heads of state and government in the Netherlands on May 23, according to officials in The Hague.

"When you have a major task like

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Spain Firm Switches Sides in Deal On Phones

AT&T Loses Out In Latin America To British-MCI Link

By Mitchell Martin
International Herald Tribune

NEW YORK — Spain's telecommunications company switched international alliances Friday, favoring the British-American combine of British Telecommunications and MCI Communications over a rival confederation led by AT&T and taking with it a large presence in the growing Latin American market.

Telefonica de Espana announced a string of concrete and potential areas of cooperation with BT and with MCI, which the British company is in the process of acquiring.

The most important, analysts said, was the creation of a 50-50 joint venture between Telefonica Internacional SA, the Spanish company's international unit, and MCI.

This new venture, to be called Telefonica Panamerica-MCI, the partners said, will "pursue opportunities" in the Latin American communications market, which is worth $36 billion a year and could grow to $60 billion by the year 2000.

Telefonica already is the largest foreign communications company operating in Latin America, with presences in Argentina, Brazil, Chile, Peru and Puerto Rico. MCI has expanded from its U.S. base into Mexico.

Telefonica's decision to join with BT and MCI was seen as a victory for their alliance, but the Spanish company was unclear about whether it was withdrawing from AT&T Corp.'s Unisource group. All of the substantive measures announced Friday concern Latin America.

"It's interesting how it was structured like this," said Iain Johnston, a telecommunications analyst at J.P. Morgan Securities Ltd. in London. "It looks like they were trying to create a structure that would give Telefonica the possibility of remaining a part of Unisource."

Unisource is a confederation of phone companies led by AT&T that also includes Swiss Telecom, the Dutch Koninklijke PTT Nederland NV and

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AGENDA

State Department To Be Revamped

President Bill Clinton has approved a reorganization of the State Department and three other foreign affairs agencies, a move spurred in part by the need to accommodate Republicans in Congress.

He also has selected David Aaron, ambassador to the OECD, to become undersecretary of commerce for international trade. Page 3.

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The IHT on-line http://www.iht.com

The Dollar

New York	Friday @ 4 P.M.	previous close
DM	1.7118	1.7238
Pound	1.633	1.6295
Yen	125.885	125.975
FF	5.7668	5.8005

The Dow

Friday close	previous close
6703.56	6658.60

S&P 500

change	Friday @ 4 P.M.	previous close
+4.56	786.34	781.78

Newsstand Prices

Andorra	10.00 FF	Morocco	16 Dh
Antilles	12.50 FF	Qatar	10.00 Rials
Cameroon	1,600 CFA	Réunion	12.50 FF
Egypt	£E 5.50	Saudi Arabia	10.00 R.
France	10.00 FF	Senegal	1,100 CFA
Gabon	1100 CFA	Spain	225 PTAS
Italy	2,800 Lire	Tunisia	1,250 Din
Ivory Coast	1,250 CFA	U.A.E.	10.00 Dirh
Jordan	1,250 JD	U.S. Mil. (Eur.)	$1.20
Lebanon	L.L. 3,000		

Children Race a Deadline

Smugglers Profit From Runs to Hong Kong As Residents Try to Unite Families by July 1

By Keith B. Richburg
Washington Post Service

HONG KONG — Kok Man-sing is only 8 years old but has already experienced a lifetime's worth of trauma — separation, flight, refuge and now the constant fear of apprehension and deportation. He is a pint-size illegal immigrant from China, brought here on a motorboat in the dead of night by "snakeheads," or local smugglers.

"I was scared the policemen would come," Man-sing said, describing his flight here with his 7-year-old sister, Kok Man-kok, crammed on a motorized sampan with about 50 other illegal immigrants. When they arrived, near dawn, he and Man-kok, with only an address on a piece of paper, found their way to their parents' house, and the family was reunited after nearly two years.

"I'm afraid to go back to China," said Man-sing, sporting a new Chicago Bulls baseball cap and a gray warm-up suit. "I like Hong Kong a lot. I want to get my identity card so I can stay longer. I like the television, and I like playing. Even though I don't have any friends, if I stay longer I'll be happier. I never want to go back to China."

As he spoke, a boy next to him quickly agreed. "The Chinese government is rotten," said Yong Dong-chuen, 12, who also is facing repatriation. "I'm not afraid. I won't go back, even if they make me."

These boys are part of a wave of hundreds of illegal immigrant children who have been flooding over the border from southern China in record numbers in recent weeks, sparking a budding humanitarian crisis and prompting social workers to warn of a larger human swarm to come. So far this year, about 1,500 children are believed to have crossed the border illegally, about double the number who crossed in all of 1996.

The human flood is also raising fears for the safety of the children, most of

See CHINESE, Page 5

The Washington Post

A young couple seeking advice on obtaining Hong Kong residency for the child they brought in illegally.

Descendants of an Old Lug Find a Twist to the Universe

Skepticism Greets a Big Ancestor of Apes and Man

By Curt Suplee
Washington Post Service

WASHINGTON — Fossils unearthed from ancient rock in Uganda have revealed what scientists say is by far the oldest known common ancestor of both men and apes: a shockingly big, tree-dwelling lug that could hang around comfortably in an upright position but walked awkwardly on all fours.

The finding, reported by a diverse international team in the Friday issue of the journal Science, dated the remains to 20.6 million years ago. That is about 10 million years older than the next oldest viable fossil candidate for a common ancestor.

And it is roughly the period in which some scientists have presumed that a great evolutionary split occurred, producing one lineage that would go on to become various kinds of latter-day monkeys and another group, called hominoids, that would become modern apes and humans.

If the team's analysis is confirmed — and some experts are skeptical — the heretofore uncategorized creature, which the researchers have named *Morotopithecus bishopi*, will shatter the widespread assumption that the common ancestors of modern apes and humans in that era were probably as small as modern gibbons.

The find "really pushes the time scale a long way back," said Terry Harrison of New York University, a scholar of fossils from the Miocene epoch, as the period from 25 million to 5 million years ago is known.

"What it means," said Mr. Harrison, who was not involved in the work, "is that hominoids had already diverged by 20 million years ago," a development that had remained frustratingly absent from the fossil record.

The Ugandan fossils, which include cranial ma-

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Findings May Flip Einstein's Theory Upside Down

By John Noble Wilford
New York Times Service

NEW YORK — Measurements by scientists have suggested for the first time that the universe has an "up" and a "down."

The observation, if correct, would be one of the most surprising and fundamental new insights about the universe to emerge in recent years. The notion that space is uniform, that it is the same in all directions, with no north and south or up and down, is a major tenet of modern cosmology, backed by Einstein's theory of relativity.

The findings could force scientists to reconsider aspects of Einstein's theory, rethink some ideas about the birth of the universe and the possible existence of other universes. They also raise questions about the speed of light, especially whether it may not be always precisely the same.

In an analysis of radio waves from 160 distant galaxies, physicists at the University of Rochester and the University of Kansas made the startling discovery that the radiations rotate as they move through space, in a subtle corkscrew pattern unlike anything observed before.

A complete turn of the corkscrew appeared to occur every one billion miles the radio waves travel. These effects are in addition to what is known as the Faraday effect, a polarization of light caused by intergalactic magnetic fields.

Even more surprisingly, the magnitude of these newly observed rotations appear to depend on the angle at which the radio waves move in relation to a kind of axis of orientation running through space.

The more parallel the direction of travel of the wave is with the axis, the greater the rotation. The reason for this remains unknown.

This axis of orientation is not a physical entity,

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Israel's Coalition Politics Paved Way for Netanyahu's Troubles

By Barton Gellman
Washington Post Service

JERUSALEM — At 10:30 A.M. on Jan. 10, to the consternation of assembled ministers, Prime Minister Benjamin Netanyahu sprang the announcement that he was ready to fill the vacant attorney general's post. He insisted there must be cabinet confirmation on the spot.

Most of the ministers said they had never heard of the candidate, a criminal lawyer named Roni Bar-On. Those who said they did know him, according to a leaked transcript of the cabinet meeting and interviews with five of those in the room, voted against the appointment or abstained.

Within two days, before he could be sworn in, Mr. Bar-On had withdrawn from the post in the wake of public criticism that he was unqualified. But the story behind the failed appointment, full of hardball bargaining and alleged deals, has brought Mr. Netanyahu to the brink of downfall.

[Israel's state prosecutor, Edna Arbel, said Friday she has already decided on whether to press corruption charges against Mr. Netanyahu, Agence France-Presse reported from Jerusalem.

["The prosecutor's office has enough proof to reach a conclusion and we do not need any more investigation," she said. The decision is to be announced on Sunday night.]

The story has its roots in Israel's complex coalition politics.

Although Mr. Netanyahu was elected by direct ballot, he cannot govern without a majority in the 120-seat Parliament. His own Likud Party controls 32 seats. To reach his working majority of 66, he recruited 34 votes from five other parties in an alliance of ideology and convenience.

Mr. Netanyahu found his largest additional bloc in the 10 seats controlled by Aryeh Deri's Shas, an ultra-Orthodox Jewish party with special appeal to Israelis of North African and Middle Eastern descent. Mr. Deri, sometimes called "the indispensable man" of Israeli politics because of his shifting alliances, acquired the power to make or break Mr. Netanyahu by depriving him of a working majority at will.

Mr. Deri also had severe legal problems, having been under investigation or trial for seven years on corruption charges that have yet to be resolved. The central accusations of the current scandal revolve around Mr. Deri's relationship to the appointment of Mr. Bar-On as attorney general.

Mr. Deri, when asked soon after by reporters, denied at first that he even knew Mr. Bar-On.

But according to witnesses emerging in a three-month police inquiry, Mr. Deri was intimately involved in the appointment. The investigation began shortly after Israel Television reported on Jan. 22 that Mr. Deri pushed for Mr. Bar-On as part of a deal to bring him lenience in his trial.

Before Mr. Deri could put Mr. Bar-On in the job, he had to quash the candidate whom Mr. Netanyahu has described as his first choice: Dan Avi-Yitzhak, one of Israel's leading criminal lawyers, who happened to be Mr. Deri's own chief counsel in the corruption trial. Mr. Deri has acknowledged he threatened Mr. Netanyahu's chief of staff, Avigdor Lieberman, that "you'll have to deal with me" if Mr. Avi-Yitzhak got the post.

Mr. Avi-Yitzhak, who then had a bitter falling out with Mr. Deri, has since accused him of attempting to force the appointment of Mr. Bar-On.

Mr. Avi-Yitzhak has told investigators, Israeli news reports say, that Mr. Deri issued political ultimatums to Mr. Netanyahu's chief of staff and to Justice Minister Tzahi Hanegbi in an effort to install Mr. Bar-On.

Mr. Hanegbi, in turn, took the lead in promoting Mr. Bar-On in the cabinet. He described him as "for decades one of Israel's foremost criminal lawyers" and implied that the Supreme Court's chief justice, who had objected strongly to Mr. Bar-On's candidacy in a private meeting, "welcomed the appointment."

The police have proposed indictments against four men. Mr. Deri would be charged with extortion, while Mr. Hanegbi and Mr. Lieberman, the chief of staff, as well as Mr. Netanyahu would face charges of fraud and breach of trust. The police have acknowledged that their case relies heavily on one "central witness," identified by Israeli news organizations as Mr. Avi-Yitzhak.

The nature of the charges, according to Israeli legal analysts, suggests police investigators believe they can prove Mr. Hanegbi and Mr. Lieberman negotiated Mr. Bar-On's appointment on the basis of Mr. Deri's threats. The proposed indictment of Mr. Netanyahu, they said, suggests the police believe Mr. Netanyahu was aware of the threats and the motives behind them.

BRIEFLY

Bulgaria Opposition Is Favored

SOFIA — Opinion polls Friday showed Bulgaria's anti-Communist Union of Democratic Forces cruising toward overwhelming victory on the eve of early elections forced by a wave of unrest the party led three months ago.

Two polls gave the Union of Democratic Forces about half of public support, enough to secure an absolute majority in a new Parliament and a mandate to press ahead with market reforms demanded by international lenders as a condition of aid to rescue the devastated economy.

Gallup International gave the Union of Democratic Forces 54 percent, compared with 24 for the former Communists' Socialist Party, which handed power to an interim government after a midwinter explosion of discontent over rocketing inflation and mass poverty. *(Reuters)*

Russian Workers Strike for Pay

MOSCOW — Strikes continued in different parts of Russia on Friday, with workers demanding wages delayed for months, the Itar-Tass press agency reported.

The strike of 400 employees at one of Russia's biggest hydropower plants in the remote Siberian city of Gusinoozersk, 4,500 kilometers (2,800 miles) east of Moscow, was in its eighth day, Itar-Tass said.

The employees were demanding 30 billion rubles ($5.2 million) in back pay delayed since July, the report said.

Meanwhile in Yekaterinburg, a city in the Ural mountains, 300 workers were staying underground for the 12th day in the subway tunnels they had been building, to press their demands for back wages, Itar-Tass reported. *(AP)*

Italian Panel Rejects Budget

ROME — The budget commission of the lower house of Parliament voted Friday against the government's proposed 1997 supplementary budget, said a senior opposition politician, Giuseppe Pisanu.

The vote of 25 to 24 was a severe embarrassment for the center-left government of Prime Minister Romano Prodi.

The proposed budget will now go to the Chamber of Deputies for a vote. The supplementary budget aims to reduce the 1997 budget deficit by 15.5 trillion lire ($9.1 billion) in order to keep Italy on track for meeting deficit criteria needed to join Europe's planned single currency.

Mauro Paissan, a senior member of the Greens' party which is part of Mr. Prodi's center-left coalition, said the result of the commission vote was essentially a challenge to the government to put the supplementary budget to a confidence test in the full chamber. *(Reuters)*

21 Chosen for House of Lords

LONDON — Douglas Hurd, the British foreign secretary from 1989 to 1995, is to become a lord, allowing him to sit in the upper house of Parliament after the May 1 election, Prime Minister John Major's office said in a statement for release Saturday.

On Mr. Major's recommendation, Mr. Hurd is among 21 mostly elderly politicians retiring from the House of Commons who will be ennobled by Queen Elizabeth II. The outgoing Northern Ireland secretary, Sir Patrick Mayhew, will also be among the 10 Conservatives honored.

The seven new peers from the opposition Labour Party include Roy Hattersley, the party's deputy leader from 1983 to 1992.

Also to be honored are Sir David Steel, who led the minority Liberal Party until 1988, and Sir James Molyneaux, former leader of the Ulster Unionists, the main pro-British party in Northern Ireland. *(Reuters)*

NATO-Deal Talk Puzzles U.S.

Reuters

WASHINGTON — U.S. officials insist that a NATO-Russia security agreement is anything but concluded and have expressed puzzlement that President Boris Yeltsin of Russia has publicly acted as if a signing ceremony May 27 was certain.

The U.S. officials spoke after Mr. Yeltsin, apparently gambling on the support of his friend and ally Chancellor Helmut Kohl, said Thursday that Russia would clinch an elusive deal with NATO next month. After a day of talks in the German spa resort of Baden-Baden, Mr. Yeltsin and Mr. Kohl said Bonn's influence could break a deadlock between Moscow and the alliance over NATO's eastward expansion.

But the State Department spokesman, Nicholas Burns, insisted: "Negotiations have not yet been completed, and so we can't cite a victory before we have it."

"We certainly have the hope" of reaching agreement on a NATO-Russia charter, Mr. Burns said, but he added, "I can't point you to any dramatic progress recently."

A key German official was more upbeat Friday that NATO could strike a deal. Karlheinz Hornhues, chairman of a parliamentary foreign affairs committee, said the Baden-Baden summit meeting had shown that Moscow no longer saw NATO's plans as a challenge to Russia.

Mr. Hornhues, a member of Mr. Kohl's Christian Democratic Union, said Mr. Yeltsin had committed himself to finding a solution in time.

"If one side says, 'We'll get there on time,' then it is putting itself under pressure," he told German radio. "When you set a deadline, it applies to yourself as well as to your partner. So I think this announcement that they'll make it by then gives reason for optimism."

But U.S. officials remained puzzled. "The Russians are, for some reason I don't entirely understand, talking about this as if it were agreed," one said. "We're not there yet."

"It's agreed notionally and provisionally that if we have a NATO-Russia document we'd be prepared to sign it on the 27th," the official added. "But there's a lot of work to be done."

The proposed Russia-NATO charter is aimed at easing Moscow's concerns about the alliance's plans to decide its first new post-Cold War members at a summit meeting July in Madrid. Top contenders are Poland, the Czech Republic and Hungary.

Moscow has demanded that NATO not position nuclear and other weapons in new member states and insisted on a say in alliance planning that is based on consensus decisions. NATO has refused to grant Russia treaty-like guarantees that would require ratification by member parliaments.

"I don't see that NATO is going to deviate from its position at all," Mr. Burns said, "on either nuclear weapons or the stationing of conventional forces."

The other U.S. official said differences remained over details for a joint Russia-alliance council in which Moscow would have a voice but no veto in matters related to European security.

But he said: "The big issues are on the military side and in reconciling what may be irreconcilable in the end: NATO's absolutely rock-solid position that whether the alliance has 16 members, 19 members or 25 members, all members are equal and the alliance is sovereign."

French Await Election Decision

Reuters

PARIS — French politicians hastened Friday to prepare for a possible election campaign as the government let rumors spread that President Jacques Chirac may call a snap parliamentary vote for early June.

Education Minister Francois Bayrou, commenting on widespread reports that Mr. Chirac was thinking of bringing forward the election from March 1998 or reshuffling the cabinet, said that the president could announce a decision Thursday, following the weekly Wednesday cabinet meeting.

Dissolving Parliament "looks the most likely possibility, but nothing is ruled out," said Michel Pericard, head of Mr. Chirac's Gaullist party in the National Assembly. "The president faces a difficult decision that he has to make on his own."

The assembly, discussing a bill on poverty, was much emptier than usual Friday as most deputies hurried back to their constituencies for a weekend of work.

The rumors unsettled French financial markets, where the benchmark CAC 40 Index tumbled 2.6 percent to 2,547.56. The franc also slipped, losing nearly half a centime to 3.3690 francs against the Deutsche mark.

The afternoon daily newspaper Le Monde said that Prime Minister Alain Juppe and allies believed they had convinced Mr. Chirac to risk a snap election to secure a renewed center-right majority for the rest of his seven-year term.

Recent opinion polls predicted a close battle but differed on whether the center-right or the left would win.

The government won 80 percent of the seats in the assembly four years ago, but its public support has slumped over the last 16 months because of budget austerity to qualify for the single European currency and persistent record unemployment.

Analysts said Mr. Chirac may be tempted to seize on a slight brightening of economic prospects to try to catch the Left unprepared.

An early vote would also ensure that campaigning does not coincide with European Union debate early next year on which countries make the grade for a single currency, starting in 1999.

Finance Minister Jean Arthuis denied reports that the government was facing problems in meeting single-currency budget criteria — a reason cited for a snap vote before imposing a new bout of austerity.

"I'd like to say to you, and repeat to you, that public spending is under control and the government will meet the 3 percent target," Mr. Arthuis said, adding that he had confidence in the government's growth and forecasts of its deficit. It must be no larger than 3 percent of gross national product to qualify for the single currency.

Commentators singled out June 1 and 8 as the most likely dates for a two-stage election, which has to be held between 20 and 40 days after the assembly is dissolved.

Johnny Eggitt/Agence France-Presse

The ad showing a tiny Blair sitting on the German chancellor's knee.

Anti-Blair Ad Is a Dummy

Tories Defend Belittling Him in Montage With Kohl

Reuters

LONDON — A Conservative election advertisement showing the Labour leader, Tony Blair, as a ventriloquist's dummy on the knee of Germany's Helmut Kohl provoked outrage Friday.

But Prime Minister John Major said the advertisement pointed to the willingness of the Labour leader to surrender British national interests in European Union negotiations, and was not meant to deride the German chancellor.

The advertisement appeared full-page in national newspapers 13 days before the May 1 election.

The advertisement contained a huge portrait of a smiling Mr. Kohl sitting in an armchair with a diminutive Mr. Blair on his lap under the caption: "Labour's Position on Europe."

Referring to June talks on reform of EU decision-making and a planned single currency, it said: "The next few weeks and months are going to call for the most skilled negotiators Britain can muster. Don't send a boy to do a man's job." The Labour campaign coordinator, Gordon Brown, reacted quickly.

"This is a measure of how the Conservative campaign has degenerated," he said, adding that, "such personalized smears reveal the bankruptcy and desperation of the Conservative campaign."

Britain's Advertising Standards Authority said it had received telephone complaints about the advertisement and would look into them if people put their objections down on paper.

■ Germany Shrugs

The German government on Friday passed up the chance to take a swipe at Mr. Major's Conservatives over the advertisement, Reuters reported from Bonn.

"The German government will not do anything to judge or pass comment on election campaign events," Peter Hausmann, a spokesman, said. "Something like that can easily be interpreted as interference."

RELIGIOUS SERVICES

AMSTERDAM

CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:00 a.m. & 11:30 a.m./ Kids Welcome. De Cuserstraat 3, S. Amsterdam Info. 020-641 8812 or 020-6451 653.

FRANCE/TOULOUSE

HOPE INTERNATIONAL CHURCH (Evangelical). 4, bd. de Pibrac, Colomier. Sunday service, 6:30 p.m.Tel.: 05 62 74 11 55.

FRENCH RIVIERA/CÔTE D'AZUR

NICE: Holy Trinity (Anglican), 11 rue Buffa. Sun. 11: **VENCE:** St Hugh's, 22, av. Résistance. 9 a.m. Tel: 33 04 93 87 19 83.

MONTE CARLO

MONACO CHRISTIAN FELLOWSHIP Worship Service, Sundays: 11 a.m. 9, rue Louis Notary, Monte Carlo. Tel.: 377 92 16 56 47.

PARIS and SUBURBS

EMMANUEL BAPTIST CHURCH - An evangelical church in the western suburbs, all are welcome. 9:45 First Service concurrent with Sunday School. 11:00 Second Service with Children's Church. French Service 6:30 p.m. 56, rue des Bons-Raisins, 92500 Rueil-Malmaison. For info. call 01 47 51 29 63.

HOPE INTERNATIONAL CHURCH Hotel Orion at Paris-la-Défense, 8 bd. de Neuilly. Worship Sundays 9:30 a.m. Rev. Douglas Miller, Pastor. Tel.: 01 43 33 04 06. Métro 1 to la Défense Esplanade.

SAINT JOSEPH'S CHURCH (Roman Catholic). MASS IN ENGLISH: Sat. 6.30 p.m.; Sun. 9:45, 11:00 a.m., 12:15, 6:30 p.m. 50, avenue Hoche, Paris 8th. Tel.: 01 42 27 28 56. Metro: Charles de Gaulle - Etoile.

TOKYO

ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Ichabashi Stn. Tel.: 3261-3740. Worship Service: 9:30 a.m. Sundays.

TOKYO UNION CHURCH, near Omotesando Subway Sta. Tel. 3400-0047. Worship Services: Sunday - 8:30 & 11:00 a.m., SS at 9:45 a.m.

SWITZERLAND

BASEL CHRISTIAN FELLOWSHIP English-Speaking non-denominational. Tel. +41 61 302 1674, Sundays 10:30 Mittlere Strasse 13, CH-4056 Basel.

ZURICH-SWITZERLAND

ENGLISH-SPEAKING CATHOLIC MISSION; St. Anton Church, Minervastraße 63 Sunday Mass: 8:30 a.m. & 11:30 a.m. Services held in the crypt of St. Anton Church.

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

PARIS and SUBURBS

THE AMERICAN CATHEDRAL OF THE **HOLY TRINITY**, Sun. 9 & 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evensong. 23, avenue George V, Paris 75008. Tel.: 33-01 53 23 84 00. Metro: George V or Alma Marceau.

FLORENCE

ST. JAMES' CHURCH, Sun. 9 a.m. Rite I & 11 a.m. Rite II. Via Bernardo Rucellai 9, 50123, Florence, Italy. Tel.: 39/55 29 44 17.

FRANKFURT

CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Flinz St. 22, 60323 Frankfurt, Germany, U1, 2, 3 Miquel-Allee. Tel: 49/69 55 01 84.

GENEVA

EMMANUEL CHURCH, 1st & 3rd Sun. 10 a.m. Eucharist; 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel.: 41/22 732 80 78.

MUNICH

THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School, Nursery Care provided. Seybothstrasse 4, 81545 Munich (Harlaching), Germany. Tel.: 49/89 64 81 85.

ROME

ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rite I; 10:30 a.m. Choral Eucharist Rite II; 10:30 a.m. Church School for children & Nursery care provided; 1 p.m. Spanish Eucharist. Via Napoli 58, 00184 Rome. Tel.: 39/6 488 3339 or 39/6 474 3569.

BRUSSELS/WATERLOO

ALL SAINTS' CHURCH, 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 563 Chaussée de Louvain, Ohain, Belgium. Tel. 32/2 384-3556.

WIESBADEN

THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel.: 49/611.30.68.74.

EUROPEAN BAPTIST CONVENTION

BERLIN

I.B.C., BERLIN. Rothenburg Str. 13, (Steglitz). Sunday, Bible study 10.45, worship Service 12.00 noon. Charles Warford, pastor. Tel.: 030-774-4670.

BREMEN

I.B.C., Hohenlohestr. Hermann-Bose-Str. Worship Sun. 17:00, Pastor telephone: 04791-12877.

BUCHAREST

I.B.C., Strada Popa Rusu 22, 3:00 p.m. Contact Pastor Mike Kemper, Tel. 312 3960.

BUDAPEST

I.B.C., meets at Marics Zsigmond Gimnazium, Torokvesz ut 48-54, Sun. 10:00. Tel. 250-3932.

BULGARIA

I.B.C., World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 669 666.

FRANKFURT

INTERNATIONAL CHRISTIAN FELLOWSHIP, Ev.-Freikirchliche Gemeinde, Sodenerstr. 11-18, 65310 Bad Homburg. Sunday Worship, Nursery & SS: 11:20 A.M. Mid-week ministries, Pastor M.Lavey, Call/Fax: 06173-62726.

BETHEL I.B.C. Am Dachsberg 92 (English), Worship Sun. 11:00 a.m. and 6:00 p.m. Tel.: 069-549559.

HOLLAND

TRINITY INTERNATIONAL invites you to a Christ centered fellowship. Services: 9:00 and 10:30 a.m. Bloemcampleen 54, Wassenaar 070-517-8024 nursery prov.

NICE - FRANCE

I.B.C. 13 rue Vernier, English service, Sunday evening 18:30, pastor Roy Miller - Tel.: (04 93) 32 05 96.

PRAGUE

I.B. FELLOWSHIP, Vinohradska # 68, Prague 3. Sun. 11:00. Tel.: (02) 311 7974.

WATERLOO

WATERLOO BAPTIST FELLOWSHIP Sun. 15:00 at Swedish Church, across from MacDonalds, Tel.: (02) 353 1565.

ZURICH - SWITZERLAND

I.B.C of Zürich, Gheistrasse 31, 8803 Rüschlikon, Worship Services Sunday mornings 10:30. Tel.: 1-4810018.

ASSOC. OF INT'L CHURCHES

BERLIN

AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

FRANKFURT

TRINITY LUTHERAN CHURCH, Nibelungenallee 54, Sun. Worship 11 a.m. Tel. 069/95631066 or 512552.

GENEVA

EV. LUTHERAN CHURCH 20 rue Verdaine. Sunday worship 9:30. In German 11:00 in English. Tel: (022) 310.50.89.

JERUSALEM

LUTHERAN CHURCH of the Redeemer, Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel.: (02) 6281-049.

PARIS

AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door. Metro Alma-Marceau or Invalides.

VIENNA

VIENNA COMMUNITY CHURCH. Sunday worship in English 11:30 A.M., Sunday school, nursery, international, all denominations welcome. Dorotheergasse 18, Vienna 1.

ZURICH

INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Schanzengasse 25, Tel.: (01) 2625525.

In the article "Home-Grown Builders Set High Goals" ("Built for Business: Bangladesh" Sponsored Section, March 26, 1997), the turnover for the Concord Group of Companies was incorrectly stated. The group's average annual turnover is more than $50 million, and its turnover last year was more than $60 million.

TRAVEL UPDATE

Strikes Cut French Flights

PARIS (AFP) — The TAT and Air Liberte airlines, French-based subsidiaries of British Airways, said Friday that they would operate about 65 percent of their normal flights during the weekend because of strikes.

The companies said that all long-distance flights to the French overseas departments and territories would be operated, along with flights to Morocco. Most charter flights would also be maintained.

At the Zurich airport, giant yellow signs warning passengers against suitcase thieves have been posted at high-risk areas after 429 such thefts were reported last year. The signs, in the form of arrows, say, "Beware Thieves: A Passenger's Suitcase Was Stolen Here," in four languages. *(AFP)*

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.

Jetstream · Unseasonably Cold · Unseasonably Mild · Heavy Rain · Heavy Snow

North America Some sun and near-normal temperatures will return to the Northeast Sunday and Monday, but there may be some rain Tuesday. Heavier rains are likely across the south from Texas into Alabama and Tennessee. Continued warm and dry across Nevada, Arizona and Southern California.

Europe Cold weather will continue across central and eastern Europe Sunday through Tuesday. Snow will fall across central and northern parts of of Norway and Sweden, while a cold rain will reach from southern Germany to the Balkan states. England and France will be mild with some sun.

Asia Chilly with showers likely in Beijing Sunday and Monday, then milder with some sun Tuesday. Tokyo on north to Hokkaido will be damp and cool through the period, while southern Japan will be mild and humid with showers. Heavy rains are likely in northern Thailand and eastern Myanmar.

Europe

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
Algarve	19/66	13/55	r	18/64	9/48	pc
Amsterdam	8/46	-2/29	pc	9/48	1/34	pc
Ankara	12/53	2/35	pc	14/57	6/43	r
Athens	18/61	12/53	s	21/70	15/59	pc
Barcelona	13/55	12/53	r	17/62	12/53	r
Belgrade	16/64	8/46	pc	19/66	8/46	pc
Berlin	8/46	-3/27	pc	6/43	-1/31	sf
Brussels	9/48	-3/27	pc	9/48	1/34	pc
Budapest	15/61	7/45	pc	14/57	3/37	s
Copenhagen	4/39	-4/25	c	6/43	-3/27	pc
Costa Del Sol	20/68	14/57	c	18/64	9/48	c
Dublin	11/52	2/35	pc	9/48	3/37	s
Edinburgh	8/46	-1/31	pc	9/48	2/35	pc
Florence	18/64	6/43	s	20/68	7/44	pc
Frankfurt	7/44	-4/25	pc	8/46	-5/22	pc
Geneva	16/61	2/35	s	10/50	-2/29	pc
Helsinki	1/34	-6/22	c	1/34	-6/22	sn
Istanbul	14/57	8/46	s	18/64	9/48	pc
Kiev	8/46	-1/31	c	4/39	3/37	sn
Las Palmas	22/71	15/59	pc	20/68	16/61	pc
Lisbon	17/62	12/53	r	17/62	11/52	pc
London	11/52	-1/31	pc	11/52	3/37	pc
Madrid	16/61	14/57	r	21/70	9/48	sh
Mallorca	13/55	12/53	r	15/59	13/55	r
Milan	19/66	7/44	pc	18/64	2/35	pc
Moscow	7/44	2/35	sn	7/44	-3/27	sh
Munich	12/53	1/34	sh	7/44	-5/22	sn
Nice	17/62	9/48	s	16/61	9/48	sh
Oslo	6/43	-3/27	c	4/39	-1/31	c
Paris	12/53	-2/29	c	10/50	0/32	s
Prague	8/46	-1/31	sh	8/46	-5/22	c
Reykjavik	8/46	2/35	sh	2/35	-2/29	pc
Riga	3/37	-4/25	pc	3/37	-5/23	sn
Rome	14/57	6/43	sh	17/62	10/50	sh
St. Petersburg	-1/31	-5/24	sn	1/34	-5/22	c
Stockholm	1/34	-3/27	sn	1/34	-8/22	c
Strasbourg	13/55	0/32	pc	8/46	-3/27	pc
Tallinn	2/35	-5/24	c	1/34	-8/22	sn
Tbilisi	12/53	-2/29	sh	17/62	7/44	pc
Venice	15/61	7/44	pc	17/62	3/37	pc
Vienna	13/55	6/43	sh	3/37	-2/29	sf
Warsaw	6/43	-8/22	s	4/39	-2/29	sf
Zurich	13/55	2/35	pc	7/44	-4/25	sh

Middle East

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
Abu Dhabi	31/88	21/70	s	29/84	19/66	c
Beirut	18/61	11/52	pc	23/73	18/64	c
Cairo	30/86	17/62	s	33/91	21/70	c
Damascus	20/68	6/43	s	26/79	12/53	pc
Jerusalem	19/66	7/44	s	24/75	14/57	pc
Luxor	34/93	12/53	s	37/98	18/64	s
Riyadh	32/89	18/64	pc	33/91	19/64	pc

North America

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
Anchorage	6/43	-3/27	pc	7/44	-1/31	pc
Atlanta	21/70	9/48	sh	21/70	10/50	pc
Boston	7/44	2/35	r	12/53	6/43	pc
Chicago	10/50	0/32	sn	11/52	2/35	sn
Dallas	25/79	13/55	pc	24/75	10/50	pc
Denver	20/68	4/39	pc	19/66	3/37	pc
Detroit	12/53	-1/31	pc	11/52	2/35	pc
Honolulu	28/82	23/73	pc	32/89	23/73	pc
Houston	23/73	17/62	t	25/77	13/55	pc
Los Angeles	23/73	12/53	s	24/75	13/55	pc
Miami	26/79	18/61	s	28/82	19/66	pc
Minneapolis	13/55	1/34	c	14/57	1/34	sh
Montreal	6/43	1/34	sn	9/48	-3/29	pc
Nassau	24/75	17/62	s	27/80	20/68	pc
New York	11/52	4/39	pc	14/57	8/46	pc
Orlando	24/75	13/55	s	28/79	17/62	pc
Phoenix	31/88	17/62	s	31/88	17/62	s
San Fran.	20/68	12/53	c	22/71	12/53	pc
Seattle	16/61	9/48	sh	14/57	8/46	sh
Toronto	3/37	-4/25	c	6/43	-3/27	pc
Vancouver	14/57	6/43	sh	14/57	7/44	pc
Washington	14/57	6/43	pc	16/61	8/46	pc

Asia

	Today High	Today Low	Today W	Tomorrow High	Tomorrow Low	Tomorrow W
Almaty	23/73	7/44	pc	22/71	9/48	pc
Baghdad	31/88	22/71	c	30/86	22/71	c
Bangkok	31/88	23/73	c	31/88	23/73	pc
Beijing	22/71	12/53	c	20/68	9/48	c
Bombay	29/84	19/66	pc	30/86	21/70	s
Calcutta	28/82	21/70	s	34/93	21/70	pc
Chiang Mai	31/88	21/70	c	31/88	21/70	pc
Colombo	29/84	22/71	pc	29/84	23/73	pc
Hanoi	28/79	20/68	sh	28/79	21/70	c
Ho Chi Minh	34/93	24/75	pc	32/89	24/75	pc
Hong Kong	24/75	19/66	sh	24/75	19/66	c
Islamabad	31/88	16/61	pc	32/89	17/62	pc
Jakarta	29/84	23/73	c	29/84	23/73	sh
Karachi	33/80	20/68	pc	33/91	21/70	s
K. Lumpur	31/88	22/71	pc	31/88	22/71	pc
K. Kinabalu	29/84	20/68	pc	30/86	21/70	pc
Manila	33/91	22/71	pc	32/89	23/71	pc
New Delhi	34/93	19/66	pc	36/100	21/70	s
Phnom Penh	33/91	23/71	pc	33/91	24/73	c
Phuket	31/88	23/73	c	31/88	23/73	pc
Rangoon	31/88	22/71	c	32/89	23/73	pc
Seoul	19/66	6/43	s	18/64	6/43	c
Shanghai	18/64	9/48	pc	21/70	13/55	pc
Singapore	31/88	21/70	pc	31/88	21/70	pc
Taipei	23/73	17/62	sh	24/75	18/64	c
Tokyo	16/61	9/48	pc	15/59	10/50	pc
Vientiane	27/80	21/70	sh	27/80	21/70	c

Africa

Algiers	16/61	12/53	c	27/80	8/46	pc
Cape Town	19/66	11/52	pc	18/64	9/48	pc
Casablanca	19/66	11/52	r	15/59	9/48	r
Harare	31/88	11/52	s	32/89	12/53	s
Lagos	30/86	22/73	sn	31/88	23/73	pc
Nairobi	25/77	14/57	sh	27/80	14/57	sh
Tunis	19/66	11/52	c	20/71	17/62	s

Latin America

Buenos Aires	21/70	11/52	sh	22/71	11/52	pc
Caracas	29/84	23/73	pc	30/86	23/73	pc
Lima	24/75	19/66	pc	25/77	19/66	pc
Mexico City	23/73	10/50	c	24/75	9/48	s
Rio de Janeiro	29/84	21/70	pc	31/88	21/70	c
Santiago	17/62	5/41	pc	19/66	5/41	pc

Oceania

Auckland	18/64	9/48	r	14/57	11/52	pc
Sydney	19/66	12/53	pc	22/71	15/59	pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, W-Weather

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مكتبة من الأصل

For Gingrich, a Diminished Future

Loan From Dole Brings Breathing Space, but Not Rehabilitation

By Dan Balz
Washington Post Service

WASHINGTON — With an unexpected helping hand from Bob Dole, Newt Gingrich has restored his grip on the speakership of the House of Representatives, but he still faces a long and uncertain road to political rehabilitation.

Mr. Gingrich's announcement that he would use a $300,000 loan from his one-time nemesis to reimburse the House ethics committee broke the tension that had been building among Republicans for the past four months. Failure to repay the committee with personal funds likely would have cost Mr. Gingrich the speaker's post, according to many of his Republican colleagues, and sent him into political oblivion.

But stabilization is a far cry from rehabilitation. Even with Thursday's announcement, many Republicans outside the House still see Mr. Gingrich as a liability for their party. The public view, judging from recent polls, remains even more negative and is not likely to change soon.

What Mr. Gingrich got through Mr. Dole's surprising act of friendship — and his own decision to accept it rather than set up a legal-defense fund — was breathing room, the first he has had since late December when the ethics committee found he violated House rules.

"It's a political tourniquet," John Pitney of Claremont-McKenna College said of the decision to pay the fine with personal funds. "It stops the bleeding. It doesn't solve all of Gingrich's problems, but it keeps them from getting worse."

NEWS ANALYSIS

Kenneth Duberstein, a White House chief of staff in the Reagan administration and a friend and adviser to Mr. Gingrich and his wife Marianne, put it differently. "He bought himself some time to demonstrate his leadership and his ability to govern," he said.

The loan from Mr. Dole drew fire from some Democrats, who suggested that beyond the Beltway the arrangement may be judged by the public as another example of one politician taking care of another.

But for the past few months, Mr. Gingrich has been focused on the political precinct he values and needs the most right now, his Republican colleagues, who only a few weeks ago were threatening mutiny. Mr. Gingrich was told he needed a solution that unified the Republicans, and the Dole loan provided that option.

Representative John Shadegg, a Republican of Arizona who succeed Mr. Gingrich as head of GOPAC, the political action committee that Mr. Gingrich ran during his rise to power, said the reaction among House Republicans had been "universally positive."

Having bought himself time to reassert himself, however, Mr. Gingrich and his allies know that he is forever changed by the experiences of the past two years, both the ethics fight and his missteps in leading the Republicans during the 104th Congress.

David Rohde, a political scientist at Michigan State University, said the speaker's political travails had left him diminished in two ways.

The first is with the public. Opinion polls show Mr. Gingrich, who was never wildly popular when he burst onto the public stage after the 1994 Republican victory, now has a favorable rating of about 25 percent.

"It's hard for any politician to fall far in the esteem of the public and then recover," Mr. Rohde said.

The second is with Mr. Gingrich's colleagues, however relieved they may be with his decision Thursday. After the 1994 elections, Mr. Rohde said, Mr. Gingrich's colleagues "felt they owed him" both for their majority and for chairmanships and committee assignments. Now, after defending him in the ethics fight, he said, "The relationship is reversed — they feel he owes them."

The great irony in the resolution of the ethics penalty is that Mr. Dole provided the solution and the financing. Mr. Gingrich was reminded recently that he once called Mr. Dole "the tax collector for the welfare state" and it took the shotgun marriage between the two — brought about by the Republican victory in 1994 — to force each to re-evaluate the other. Both men now call the other a friend and profess genuine mutual admiration.

Mr. Dole's "unselfish act," as Mr. Rohde called it, may reflect the former Senate majority leader's self-image as a party elder. But he also has put his onetime adversary permanently in his debt.

President Backs Overhaul Of Foreign Affairs Units

By John F. Harris and Thomas W. Lippman
Washington Post Service

WASHINGTON — President Bill Clinton has approved a broad reorganization of the State Department and three other foreign affairs agencies, a move that administration officials said was spurred in part by the need to accommodate congressional Republicans and keep them from thwarting Mr. Clinton's foreign policy agenda.

Under a plan drafted by Vice President Al Gore and endorsed by the president Thursday, two agencies — the Arms Control and Disarmament Agency and the U.S. Information Agency — would lose their autonomy and be folded into the State Department, officials involved in the decision said.

The Agency for International Development would remain a separate agency, but its director would report to the secretary of state rather than to the president, the officials said.

The reorganizationis a priority of the Senator Jesse Helms of North Carolina, the Foreign Relations Committee chairman, and the president's decision came on the same day the administration won Mr. Helms's consent to allow a treaty banning chemical weapons to come to the Senate floor next week.

Reshuffling the nation's foreign policy bureaucracy and persuading Mr. Helms not to unilaterally torpedo a treaty that he adamantly opposes was not part of an explicit bargain, administration officials said.

But White House aides, speaking on condition of anonymity, readily acknowledged that Mr. Helms's insistence on reorganizing the State Department helped propel the changes.

The Chemical Weapons Convention, already ratified by 72 other countries, takes effect on April 29, and administration officials are lobbying frantically to ensure Senate passage before then. Failure would subject the United States to sanctions, administration officials said, as well as being a humiliating repudiation of Mr. Clinton.

Mr. Helms is still opposed to the treaty, but an administration official said that Mr. Clinton's decision to take into account Republican criticisms would help create "an environment in which more people will be favorably inclined" to support the treaty.

In any case, the official said, "Helms has made it absolutely clear that this was a quid pro quo" and that unless Mr. Clinton moved to reorganize, he would try to trip the administration at every turn on a broad range of issues.

"This is a huge victory, and we've conceded nothing on chemical weapons," said Marc Thiessen, a spokesman for Mr. Helms.

White House officials made clear the view that there are sound policy reasons for the reorganization regardless of Mr. Helms's views. As a practical matter, however, the plan Mr. Gore ultimately unveiled strongly resembled one offered by Mr. Helms two years ago.

■ Senate Sets Terms for Debate

With the assent of Mr. Helms, the Senate unanimously approved Thursday an agreement setting terms for debate on the global treaty to ban production and use of chemical weapons, The Washington Post reported.

It foresees separate votes on five major amendments, most of which have been dubbed treaty "killers" by the administration. Principal among them is a proposal to delay ratification until the treaty is approved by Russia and by "rogue states" such as Iraq, Iran and Libya.

Envoy Chosen For Trade Post

By Paul Blustein
Washington Post Service

WASHINGTON — David Aaron, a diplomat based in Paris, is President Bill Clinton's choice to become undersecretary of commerce for international trade, according to U.S. officials.

A deputy national security adviser in the Carter administration, Mr. Aaron, 58, has served since 1993 as ambassador to the Organization for Economic Cooperation and Development, which helps coordinate policy among the world's industrialized nations.

The current undersecretary, Stuart Eizenstat, has been picked to become undersecretary of state for economic affairs.

If confirmed by the Senate, Mr. Aaron would head the International Trade Administration, the part of Commerce that has been most deeply embroiled in the campaign fund-raising dispute plaguing the administration.

In November, Mr. Clinton signed an executive order that moved the authority for approving encryption products from the State Department to Commerce, which the government contended would speed up approvals of export licenses. At that time, Mr. Aaron was also appointed special envoy for cryptography.

Away From Politics

• **Fifty-five years after a Japanese torpedo destroyed the U.S. cruiser Juneau and most of its crew, the navy is commissioning a destroyer in honor of the five Sullivan brothers of Waterloo, Iowa, who perished in the Battle of Guadalcanal attack. The Sullivans' deaths led to a rule against brothers serving together on U.S. warships.** *(AP)*

• **Accused of jeopardizing the nation's storm warning system, the Commerce Department has backed off from a proposal to cut staff at the National Hurricane Center and three other weather centers.** *(AP)*

• **No fingerprints of value have been found on the gun that the Los Angeles police say was used to kill Ennis Cosby, , a defense lawyer said.** *(AP)*

• **A man who antagonized his neighbors and was gunned down got what was coming to him, Judge William Mudd said as he set aside a San Diego jury's murder conviction for his killer. The retired navy commander instead was convicted of manslaughter.** *(AP)*

Clinton Picks Woman As Envoy to Vatican

Washington Post Service

WASHINGTON — President Bill Clinton has nominated former Representative Lindy Boggs, a leader in women's rights legislation during her 18 years in the House, as the first woman to be U.S. ambassador to the Vatican.

The Louisiana Democrat, 81, took over the seat held by her husband, Hale Boggs, after the House majority leader and others disappeared in a small plane over Alaska in 1972.

Among other positions she during her political career was secretary of the Congressional Caucus for Women's Issues.

She is the mother of a powerful lobbyist, Tommy Boggs, and the ABC-TV and National Public Radio reporter Cokie Roberts.

Mrs. Boggs was one of a handful of women in Congress when she was first elected in 1973, and if confirmed she would be one of a handful of women serving as ambassador to the Vatican.

The embassy there serves as a key listening post related to other areas of interest to Washington, especially such Roman Catholic regions as Latin America and Eastern Europe.

The outgoing ambassador to the Vatican, Raymond Flynn, sought to expand the profile of the posting. The former Boston mayor, a Democrat also named by Mr. Clinton, described the ambassadorship in 1993 as "uniquely situated to advance the president's agenda for human dignity."

How the Rich Stay That Way: By Paying No Tax

By David Cay Johnston
New York Times Service

NEW YORK — Nearly 2,400 of the Americans with the highest incomes paid no federal income taxes in 1993, up from just 85 individuals and couples in 1977, the latest available information from the Internal Revenue Service shows.

While the number of Americans who make $200,000 or more per year grew more than 15-fold from 1977 to 1993, the number of people in that income category who paid no federal income taxes grew 28-fold or nearly twice as fast, according to a quarterly statistical bulletin issued by the IRS.

The report also shows that 18,000 other Americans with high incomes paid less than 5 percent of their income in taxes. Moreover, it cast doubt on the effectiveness of the Alternative Minimum Tax, which was designed to insure that the wealthy paid at least some income taxes.

Tax lawyers and other tax experts said that the number of Americans with incomes over $200,000 who pay little or no income taxes had certainly grown since 1993.

The IRS did not specify how the 2,392 individuals and couples were able to avoid paying income taxes, but figures it made public indicated that three-fourths of them received tax-exempt interest from municipal bonds.

On one-fourth of the returns, a combination of interest deductions and taxes paid to states and local governments was the most frequent reason for eliminating federal income taxes.

Income taxes paid to foreign governments, which generally are offset dollar for dollar against U.S. income taxes, were the primary reason no taxes were due in about one-fifth of the cases.

Economists and other experts said they also believed falling audit rates were a factor in explaining how people making $200,000 or more could pay little or no income taxes. Audits of those making more than $100,000, have fallen to less than 3 percent in 1995 from nearly 12 percent in 1988.

POLITICAL NOTES

John Hillery-Reuters

DEDICATED — Former President Ford, with former Presidents Bush, left, Carter, right, and John Carlin, U.S. archivist, at the rededication of the Gerald Ford Museum in Grand Rapids, Michigan.

Desperately Seeking Testimony

WASHINGTON — The apparent intention of some of the most prominent figures in the campaign-finance investigation to assert their Fifth Amendment rights and refuse to testify at public hearings later this year poses a dilemma for the congressional investigators.

Without witnesses like Webster Hubbell and John Huang, who have told the House and Senate committees that they will not cooperate, the televised hearings would be incomplete and certainly less compelling.

So the investigators have begun to explore the possibility of requiring important witnesses to testify by offering them immunity from prosecution based on their testimony. But that could mean that crimes would go unpunished.

Immunity was granted to get important testimony in the most notable congressional investigations in the last quarter-century: the Watergate hearings in 1973 and the Iran-contra hearings in 1987.

But the state of the law now is that congressional grants of immunity may make criminal prosecutions impossible. That is the result of judicial opinions overturning the criminal convictions of the two main witnesses in the Iran-contra investigation, Oliver North and John Poindexter.

Committees in the House and Senate are expected to begin public hearings in late May or June.

Mr. Hubbell, the former Clinton confidant and associate attorney general, is seen by many of the Republican investigators in Congress as the critical link between President Bill Clinton's personal financial dealings as represented by the Whitewater case and what they see as his abusive campaign-finance practices.

Mr. Huang, who moved from a position in the Commerce Department to be a Democratic fund-raiser last year, may have been responsible for many of the political donations that the committees intend to investigate.

Representative Dan Burton, the Indiana Republican who is chairman of the House investigating committee, said that the assertion of Fifth Amendment privileges by witnesses had "already hampered the progress of the investigation."

The Fifth Amendment permits witnesses to refuse to give testimony that might be self-incriminating, but the courts have long recognized the right of Congress to compel testimony by granting immunity from prosecution. *(NYT)*

FBI at Fault in Ames Spy Case

WASHINGTON — A two-year, highly classified internal Justice Department inquiry has concluded that the FBI was derelict in failing to aggressively pursue the case that ultimately led to Aldrich Ames, the most damaging spy in the history of the CIA.

A report on the Justice Department's inquiry, officials said, blamed the FBI for reacting slowly after two Soviet officials working in Washington, who had been recruited as spies by the FBI, were inexplicably recalled to Moscow in 1985.

The report, the officials said, found that the loss of the agents should have been an alarming tip-off that someone inside U.S. intelligence had compromised the two men. But the question of who was behind the losses remained an unsolved espionage puzzle for nearly eight years until FBI agents arrested Mr. Ames in 1994.

In the intervening years, Mr. Ames rose through the ranks of the CIA while accepting more than $1.5 million in exchange for the identities of more than a dozen East bloc officials working secretly for the United States. *(NYT)*

Quote / Unquote

Representative Lloyd Doggett, Democrat of Texas, on the loan of $300,000 to the House speaker, Newt Gingrich, from former Senator Bob Dole to pay an ethics penalty: "Don't expect the American people to accept a sweetheart deal in which you defer all your payments until the next century." *(AP)*

Representative Bill Paxon, Republican of New York: "A number of Democrats in the House are suffering from what I term obsessive Gingrichism. They are obsessed with getting Newt Gingrich out of office. If he would have gotten a loan from a bank, they would have said that was a sweetheart deal." *(AP)*

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BRIEFLY

Beijing Strikes Back at UN Vote

BEIJING — China is retaliating against smaller European nations for backing an attempt in the United Nations to censure its human rights record, but has spared the United States, diplomats said Friday.

Zhu Rongji, a deputy prime minister and China's economic czar, has called off a visit later this month to the Netherlands and three other European nations in retaliation at the failed attempt this week by Western nations to censure China over human rights abuses.

China has already postponed visits by two ministers from Denmark, the leading co-sponsor with the United States of the resolution in the UN Human Rights Commission to criticize China for its human rights record and treatment of Tibet. But the United States has so far emerged unscathed from the commission's action.

Vice President Al Gore came to China last month, the most senior U.S. official to visit since the brutal crackdown on student demonstrations in 1989, and Beijing is reluctant to alienate Washington so soon.

A specialist on U.S. affairs at the Chinese Academy of Social Sciences said, "Since Gore's visit to China, Sino-U.S. relations have improved." *(Reuters)*

Manila Ponders Defector's Trip

MANILA — Philippine officials said Friday that they were so fearful for the safety of a North Korean defector, Hwang Jang Yop, that he might have to take a detour to reach Seoul and what promises to be a fanfare welcome.

"The timing and the preparations are still being discussed for the exit of Hwang from the Philippines," Foreign Affairs Secretary Domingo Siazon said. "Perhaps we are going to announce the transfer after Hwang arrives in South Korea," he added. "We want to make sure he has landed there."

Mr. Hwang, North Korea's top ideologue, defected Feb. 12 in Beijing and has been in the Philippines since March 18. *(Reuters)*

Japan Studies Power Company

TOKYO — The Japanese government told a panel of experts Friday to spare no effort in proposing changes in the state-run company accused of misreporting and covering up a succession of nuclear accidents.

"We ask you to conduct a fundamental review of the corporation, and this includes the possibility of a complete disbandment," Science and Technology Minister Riichiro Chikaoka said at the first meeting of the panel.

The series of misreported accidents and cover-ups by the Power Reactor and Nuclear Fuel Development Corp. shocked Japan. Last week, company officials acknowledged that they had covered up details of the accident, and the police have begun an investigation. *(Reuters)*

India Coalition Finds an Ally

NEW DELHI — A center-left Indian coalition toppled a week ago vowed Friday to return to power by Monday after making up with an estranged ally, the Congress (I) party.

The United Front coalition said it hoped to elect a successor to the caretaker prime minister, H. D. Deve Gowda, late Friday or early Saturday.

There was no immediate reaction from the office of India's president, Shankar Dayal Sharma, who urged the country's major parties Thursday to end the political turmoil by April 21. *(AFP)*

VOICES From Asia

Jiang Zemin, president of China, who is scheduled to start a five-day visit to Moscow on Tuesday: "No matter how the world changes, China will not turn away from its policy of 'good-neighborliness, equality and mutual trust, mutual beneficial cooperation, and common development' toward Russia." (AP)

Sherwin Crasto/The Associated Press

AN APPEAL TO ALLAH — Sheikh Ibrahim praying Friday in Bombay for the safe return of his daughter and son-in-law from their pilgrimage to Mecca. A fire on Tuesday near Islam's holiest shrine killed 343 pilgrims.

Australia Updating Forces

Need Is Seen to Match Neighbors' Progress

By Michael Richardson
International Herald Tribune

SYDNEY — Australia will soon launch a sweeping overhaul of its defense forces to improve their combat capability and prevent them from being overtaken as Asian nations with booming economies increase their military strength.

Analysts say that the restructuring, to start in July, is part of a wider pattern of change in Asia and the Pacific, where many nations are cutting the size of their military forces but acquiring new weapons to give them a longer and more powerful reach.

"Most countries are substituting technology for manpower, reducing the sheer numbers of defense personnel and increasing spending on advanced weapons systems, salaries, training and readiness," said Charles Morrison, a specialist on Asian security at the East-West Center in Hawaii. "There is a decided trend in the region toward small-sized, but more professionally capable and better-trained and equipped military forces."

Countries that have cut the size of their armed forces in recent years include China, Japan, Russia, Thailand and Vietnam.

The Australian government decided recently to reduce the country's full-time military force of 57,000 by 4,700 over the next four years as part of a plan to save up to 1 billion Australian dollars ($780 million) and spend it on new and upgraded weapons and better training.

Another 3,100 jobs will be sliced from the civilian defense bureaucracy by 2001 and a further 13,000 jobs reviewed to see whether they can be contracted out to the private sector.

About 6 billion dollars of the annual 10 billion dollar defense budget goes to the army, navy and air force, while the remainder is spent on administration.

Australia's military budget has fallen to 1.8 percent of gross domestic product, from 2.6 percent 10 years ago.

Defense Minister Ian McLachlan said that the defense bureaucracy had to be made leaner and more efficient so that the fighting forces could be better equipped and trained.

Citing greater strategic uncertainty in Asia since the end of the Cold War, he said that although Australia had no regional enemies, it had to respond to other countries' improving military capabilities rather than their intentions, which could change quickly.

Mr. McLachlan said that Australia's defense forces needed the extra money for airborne-early-warning radar aircraft, better weapons and sensors for warships, more helicopters and ground transport for the army, and improved striking power for the fleet of over 100 of F/A-18 fighters and F-111 bombers.

The first major acquisition is expected to be an arsenal of "stand-off" missiles that can hit targets from long range. U.S. and European aerospace companies are competing for an Australian Air Force order of such missiles worth up to 660 million dollars.

Defense officials said that a small number had been ordered for training purposes and that the next step was to acquire a so-called war stock of about 100 and have them operational by July 1998, Reuters reported from Canberra.

Critics say that Australia's defense reforms could prompt other Asia-Pacific countries to intensify their military modernization programs, contributing to an arms race in the region.

"What will our neighbors think of this?" asked Greg Austin, an analyst in the Research School of Pacific and Asian Studies at the Australian National University in Canberra. "The minister is not willing to credit the possibility that Australia's region will remain nonthreatening. He will only feel secure if there are more bombs and missiles to put on target. This is a very primitive way to approach international relations."

Arch Bevis, the Labor opposition spokesman on defense, said that the government should not have made a decision on defense reorganization before a review of Australia's strategic outlook was completed and a list of equipment priorities established.

"This is the classic cart before the horse," he said.

But Bronwyn Bishop, the minister for defense industry, science and personnel, said that Australia had close relations with Southeast Asian nations and would be able to carry out more efficient and effective defense training exercises with them as a result of the reforms.

Malcolm McIntosh, a former British armed forces procurement chief who recommended the defense reforms to the government, said that Australia needed to strengthen its military front line as Asian countries with rapidly growing economies modernized their forces.

"Not long ago, we were a mini-superpower in our region," he said. "Our economy was substantially larger and the amount we bought for our defense dollar was substantially larger than anyone else around our region. That's changing, and changing very quickly."

Although Australia's armed forces are still rated by military experts as the most powerful south of China and east of India, many of its neighbors in Southeast Asia now operate the kind of advanced equipment, including fighters, warships and missiles, which it once monopolized.

"Australia's comfortable margin of military capability is being rapidly eroded," said Paul Dibb, head of the Strategic and Defense Studies Center at the Australian National University in Canberra. "We will need to build an increasingly technology-intensive defense force that will have to operate as a single joint force."

17 U.S. Firms Ban Land-Mine Work

By Philip Shenon
New York Times Service

WASHINGTON — A prominent human rights group has identified dozens of American companies that have produced components used to make land mines, and said it had obtained promises from 17 of them that they would not allow their products to be used in the future.

The group, Human Rights Watch, said companies that refused to make a similar pledge, including General Electric, Lockheed Martin and Raytheon, would become the targets of a campaign that might include consumer boycotts.

The production of land mines ended in the United States last year, although Human Rights Watch cited examples that suggest that U.S. components have been used to make mines in other countries.

"U.S. companies should acknowledge the humanitarian crisis created by anti-personnel mines and make the moral decision to get out of the business now," said Andrew Cooper, author of the report.

Several of the companies that were criticized responded angrily to the allegation that they are involved in the production of land mines, insisting that they had no way of controlling how the simple electrical parts and raw materials that they produce were eventually used.

"Most emphatically, we are not in the anti-personnel land-mine business, and Human Rights Watch knows that," said Robert McWade, a spokesman for Raytheon, for example.

He said that while the company's transistors had been used in the manufacture of land mines, "these generic transistors — much like wires and chemicals and aluminum and plastic — go into an infinite number of commercial, consumer and military applications."

The Clinton administration has been criticized by human rights groups for having failed to provide international leadership in seeking a ban on the production and use of land mines, which kill and maim tens of thousands of people each year.

While the administration has said that it would seek to negotiate a worldwide ban, the United States stockpiles millions of mines.

The movement to force American manufacturers to stop making land-mine components began in earnest in July with an announcement by the electronics company Motorola that it would "do everything reasonably possible to make sure that Motorola does not knowingly sell any component part that is intended for use in an anti-personnel mine."

Human Rights Watch acknowledged in the report that many components made by the companies "can also be used in any number of consumer appliances and products, from pagers to refrigerators."

The group said that after compiling a list of 47 companies involved, it got in touch with each of them to request that they issue statements pledging "to ensure that their products are not used in anti-personnel mines."

Seventeen did issue such a statement, including Motorola and Hughes Aircraft.

Matzo Bread (Price) Rise Investigated

By Donald P. Baker
Washington Post Service

MIAMI — Something isn't kosher with the price of matzo this Passover.

The cost of the unleavened bread, a staple at Jewish tables during the eight-day holiday that begins Monday night, mysteriously begins to rise this time of year. Prices vary so much throughout the United States that a Florida congressman, Representative Robert Wexler, a Democrat, has asked for an investigation.

Publix, one of Florida's two largest supermarket chains, sells a five-pound box of matzo for $12, while the same brand at Ralph's supermarkets in Los Angeles goes for just $3. At a Giant market in Bethesda, Maryland, the price is $10.

Florida's attorney general, Bob Butterworth, has subpoenaed records from two manufacturers and seven distributors of matzo, but they are not required to respond until next month, after the holiday is past.

"It's the biggest thing since the Pharaoh let us out of Egypt," said Mr. Wexler, who added that his office had received more than 200 complaints from residents of his South Florida district. While there is "some lightness to the situation," Mr. Wexler said, it was also "very upsetting, because there seems to be no rationale" to the prices.

One of Mr. Wexler's constituents, Sylvia Confino of Boca Raton, sued two major manufacturers Tuesday, accusing them of price-fixing.

Ms. Confino was one of several consumers who contacted a law firm in West Palm Beach that specializes in class-action suits.

"We think the manufacturers are taking advantage of people who have no choice," said Paul Geller, Ms. Confino's lawyer. "They have to eat matzo as part of their religion and tradition. It's a captive audience."

The manufacturers are not to blame, said Mel Gross, vice president of Aron Streit Inc., the nation's second-largest manufacturer of matzo after B. Manischewitz Co. He said matzo was sold to distributors throughout the United States "at one price."

Mr. Gross, who would not say what that price was, said "certain retailers are using matzo as a marketing tool," choosing to use the product as a loss-leader. At least two New York-area chains were giving matzo away to attract customers, he noted.

Jennifer Bush, spokeswoman for Publix, said the chain was selling matzo at cost. "We are not making a profit on matzo," she said.

When asked why Publix's stores in the Atlanta area can sell the same matzo for $9, Ms. Bush pointed to competitive pressures. "It's still costing us the same," she said. "We're just losing $3 on each sale."

In New York City, the cost of matzo is down 22 percent from last year. But even there, prices fluctuate widely in the boroughs. In the Bronx, the average price is just $3.99, while in Manhattan the same product is $8.34.

"Some women completely fainted when they heard about the price in Manhattan," said Shonna Keogan of New York's office of consumer affairs.

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BAR NONE, By Charles M. Deber

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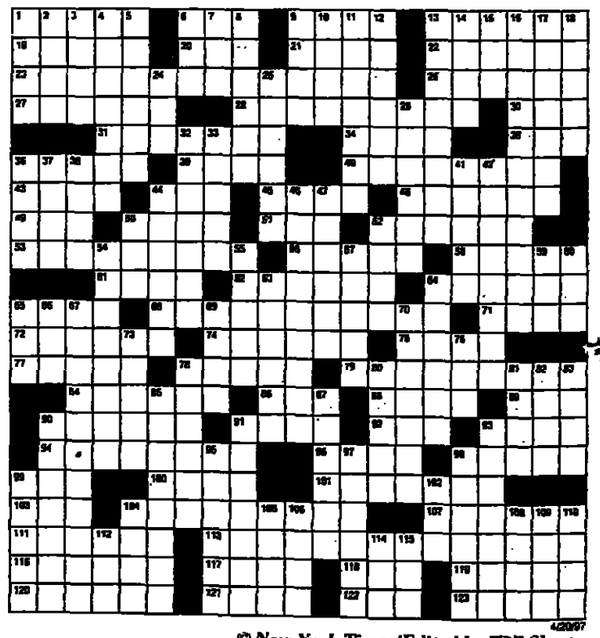
13 Fly out of a jungle
19 Implied
20 Like a bairn
21 "Are you —— out?"
22 Terrigenous rocks
23 Ballet dancer's cookout?
26 Sublet
27 Polaris, in Paris
28 Bottle contents, perhaps
30 Lao——
31 Not dorsal
34 Applications
35 Feather's partner
36 Rations
39 Litter's littlest
40 Most like sphagnum
43 Hit man
44 Biblical no-no
45 Special-interest grps.
48 "The Day the Earth Stood Still" star Michael
49 Timeline division
50 X years before Hastings
51 Wash. Sq. campus
52 Quiescent
53 Showman's good buys?
56 Certain skirts
58 Finds an easy chair
61 Where basketball and volleyball were first played
62 "Yer darn ——!"
64 Position
65 Envelope abbr.
68 Sir Charles's pet fish?
71 V-neck garment
72 Unruly hair
74 The "A" of A&M Records
75 Its pitch is high
77 Orange ——
78 Provokes
79 Silent screen star's drink makers?
84 Oxford's skyline
86 *Mother of* Zephyrus
88 "B.C." cartoonist
89 Stadium sound
90 Glycerol-based solvent
91 Congenial song ending
92 Apr. addressee
93 Single out for praise
94 Beat against
96 Wood stack
98 Spiked staffs
99 Camera type, for short
100 *Big name in* games
101 Kind of shopping
103 Exclamation of surprise
104 Scrapes
107 Codeine, for one
111 Tell
113 French sculptor's weather-front detectors?
116 It's a fault's fault
117 High water alternative
118 Average fellow?
119 Day to remember
120 "—— Fables"
121 Drifting
122 Ogle
123 Acclivity

DOWN
1 Palpebral swelling
2 How the Amazon flows
3 Effect in the recording studio
4 Cheevy of Edwin Arlington Robinson verse
5 Old rural sights
6 Tangoing number
7 Prepare to drag
8 Rubber stamp
9 *Played fast and loose with the facts*
10 As soon as
11 Boners
12 Braid, to Brigitte
13 Simpson attorney?
14 Nickname for a big dog
15 Canal site
16 Quotation compiler's singer?
17 Feeling
18 Benzocaine, for one
24 This guy's a doll
25 "How Can We Be Lovers" singer
29 Favorite game of *President* Clinton
32 Nugatory
33 Tiff
36 Manner
37 Beige hue
38 Pair with a plow
41 Bumbling
42 Bound
44 Pants
46 Noted acting family's nobleman?
47 Fandango accompaniment
50 Thalberg's studio
52 Hokkaido native
54 Phonetic contractions
55 Pens and needles
57 Pronouncements
59 Desktop pub. items
60 Match maker?
63 Fish hawk
64 Warmongers rattle them
65 Cleo's undoing
66 Useful article
67 Hungarian composer's boat songs?
69 Chow
70 Senile ones
73 The "K" of RKO
76 Neighbor of Minn.
78 Transmitter
80 Queen's county
81 Language maven Partridge
82 Interest level
83 "—— a Woman" (Beatles tune)
85 Scottish playwright's haircutters?
87 Silver category
90 Like the gang, in song
91 Stores
93 Lawmaking locale
95 Hercule's creator
97 Behind the line of scrimmage
98 Power bikes
99 Rather, informally
102 Tabby's mate
104 On
105 Maiden loved by Hercules
106 Pueblo pot
108 Dynamic introduction
109 Junket
110 To be, to Brutus
112 "Yo te ——"
114 Tofu base
115 *Have markers* out



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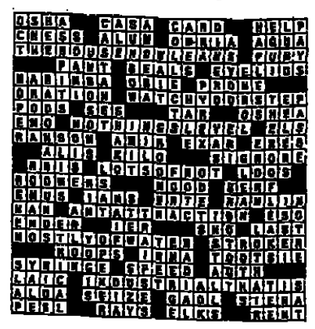
Solution to Puzzle of April 12-13



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Rebel Aide Denies Plans To Share Power in Zaire

Compiled by Our Staff From Dispatches

LUBUMBASHI, Zaire — Zaire's rebel foreign minister, Bizima Karaha, said Friday that there would be no talk of power-sharing and no cease-fire in the civil war until President Mobutu Sese Seko relinquished power without preconditions.

"We don't want any suspension of hostilities," he said. "We want the end of the war and that can only come about if the man who brought the war is kicked out. When Mobutu leaves, that will be the end of the war."

Mr. Karaha said speculation that pending negotiations in South Africa would deal with some form of transitional power-sharing was incorrect. He said the negotiations concerned "the mode of departure of Mobutu" and "the modalities for the end of the dictatorial regime."

Mr. Karaha said it would be a "cost-effective option" if Marshal Mobutu agreed to go and thereby save lives in the capital, Kinshasa.

Earlier Friday, the Zairian rebel leader, Laurent Kabila, ruled out protracted talks with Marshal Mobutu and said that his forces would march on Kinshasa if the president declined to give up power.

"There will be no protracted negotiations with Mobutu, never, never," Mr. Kabila added. "Maybe we have been misunderstood."

Marshal Mobutu's son and spokesman, Nzanga Mobutu, cast doubt, however, on any prospect of his father stepping aside, saying Marshal Mobutu's departure would bring chaos to Zaire.

The rebel alliance has taken control of about half of the vast central African country in six months. Mr. Kabila, an opponent since Marshal Mobutu took power in 1965, is currently in Zaire's second-largest town, Lubumbashi, which his rebels seized earlier this month.

U.S., French, Belgian and British forces based in nearby Brazzaville, Congo, have stepped up training maneuvers to prepare for an eventual evacuation of their nationals from Zaire.

In Kisangani, hundreds of angry Zairians threatened foreign aid workers and looted food warehouses, stalling aid efforts and the United Nations' plans to start returning 100,000 refugees to Rwanda. *(Reuters, AP)*

Dimitri Emmanuel/The Associated Press

CHECKING THE DISPATCHES — Albanians reading newspapers in Vlora. A contingent of 120 Greek troops bound for the rebel-held southern town stopped about 35 kilometers north Friday and made camp.

IRA Blamed As Two Blasts And Warnings Snarl Traffic

Reuters

LEEDS, England — Two blasts and a series of suspected Irish Republican Army bomb warnings paralyzed rail and road traffic in northern England on Friday in what appeared to be the latest attempt by the guerrillas to disrupt the election campaign.

There were small explosions at railway stations in Doncaster and Leeds. The police also said they carried out a controlled explosion on a package they suspected could be a bomb at the Stoke station in the northwest.

In Leeds, a large part of the city center was sealed off after the explosion, for which there had been no warning. "It was a loud but relatively small explosion along the trackside in an equipment cabinet," a fire brigade spokesman said.

A passenger told the BBC, "As our train went past there was a big bang and everyone started screaming." There were no reports of injuries.

The Stoke, Doncaster and Crewe railway stations were closed Friday after the police were told of telephoned bomb warnings in which the caller gave a code word known to be used by the IRA.

A long section of the main M6 motorway, linking southern Britain with the northwest, was closed after a phone call.

Houses and businesses around the threatened areas were evacuated.

Prime Minister John Major pinned the incidents on the IRA, which is battling to end Britain's rule of Northern Ireland and had acknowledged causing rail and road disruption earlier in the campaign for the May 1 general elections.

"This looks very much at the moment as though this is the work of the IRA showing their usual contempt for people's lives and for property," he said.

The attacks were a typical IRA tactic, causing huge disruption but avoiding loss of life that could threaten any sympathy for their cause.

■ Ulster Suspect Taken to London

A man arrested in Northern Ireland last week has been flown to London for questioning by the police about the 1996 bombing in the capital that ended the IRA's 17-month cease-fire, The Associated Press reported from London.

Scotland Yard refused to disclose his name but The Times of London reported Friday that he is James McArdle. It said he was flown to London from Belfast under armed police guard Thursday.

The truck bomb in London's Docklands business district Feb. 9, 1996, killed two newspaper vendors, injured scores of other people and wrecked office buildings. Taking responsibility, the IRA said it was protesting British government intransigence that it said was the cause for lack of progress in the Northern Ireland peace talks process.

Another man, Patrick McKinley of Northern Ireland, was arrested and charged in June in the bombing and is being held in London awaiting trial.

Aid Drive for North Korea

By Velisarios Kattoulas
International Herald Tribune

SEOUL — The Red Cross and the United Nations food agency scrambled Friday to arrange emergency food aid for North Korea as fears mounted that a major famine could soon spread through the country.

The appeals coincided with reports that South Korea would next week announce a fresh $10 million aid package for North Korea.

The Red Cross in Seoul contacted its counterpart in Pyongyang to urge it to help arrange the shipment of food and other aid to the North. The head of the South Korean Red Cross, the only authorized window in the South for aid to the North, asked his Northern counterpart in a telephone message to help deliver a shipment of aid approved by the government in Seoul on March 31.

The United Nations World Food Program in Geneva said it had raised only $34 million after an appeal for $95 million and that this fell far short of meeting emergency needs.

"We are on the brink of famine" in North Korea, Christiane Berthiaume, a spokeswoman, said. "We need funds as quickly as possible if we want to avoid a catastrophe."

■ 3-Way Talks Put on Hold

North Korea delayed indefinitely on Friday the resumption of talks with U.S. and South Korean officials after the spokesman for Pyongyang said he still had not received instructions from his government, Agence France-Presse reported from New York.

Spain Lifts Secrecy on Its 'Dirty War'

Agence France-Presse

MADRID — The Spanish cabinet officially approved Friday the lifting of secrecy orders on documents relating to the "dirty war" waged against the Basque separatist movement, Defense Minister Eduardo Serra announced.

The decision is in line with a ruling by the Supreme Court, which last month ordered the lifting of secrecy on 13 of the 18 documents compiled by the defense ministry's intelligence department. Magistrates want to include the documents in their investigation of the Anti-Terrorist Liberation Groups.

Although their content is widely known after leaks to the press, the documents could not be considered legal evidence if the top secret classification was not officially removed.

The current conservative government, like its Socialist predecessor, has several times invoked "reasons of state security" to refuse to hand over the papers to magistrates seeking to establish who was responsible for setting up the notorious death squads.

Its members, funded by the government, murdered at least 22 Basque activists between 1983 and 1987.

In December, the Madrid daily newspapers El Pais and El Mundo published parts of these documents, which left no doubt that security forces were heavily involved in the "dirty war."

■ German Is Charged

Prosecutors in Wiesbaden, Germany, filed conspiracy and other charges Friday against a German who was allegedly recruited by the Basque separatist group ETA to carry out attacks in Spain, The Associated Press reported.

Fritz Gary Siemund, who surrendered to the police this week, was charged with conspiring to carry out a bombing and with violating weapons laws.

His alleged accomplice, Heike Schubbert, remains at large.

The Spanish police said Mr. Siemund, 33, was seen leaving an ETA safehouse in Madrid last Saturday, along with three other suspected members of the group, after a detonator accidentally exploded in their apartment.

Inside, the police found two pressure cookers filled with plastic explosives as well as firearms and press clippings about prominent politicians, business people and military officials.

CHINESE: *A Rush to Reunite Before the Hong Kong Deadline*

Continued from Page 1

whom arrive at night on overcrowded high-speed boats without lights. Last week, the crew of a snakehead boat being pursued by Hong Kong police threw two bundles overboard. A search of the murky waters turned up only a bundle of straw, which police said may have been meant as a diversion.

Almost all the migrant children are from Guangdong Province, born to Hong Kong men who went back to China to marry and start families. In most cases, the men returned to Hong Kong but the children had to vie for places on a long waiting list for the right to move here.

When Hong Kong reverts to Chinese control on July 1, these Chinese children of Hong Kong parents are guaranteed the right to reside here under the Basic Law. Many feel their best chance is to come in before July 1, because they fear the border will be even more controlled once China takes over.

The Guangdong public security bureau and Hong Kong social workers estimate that 130,000 children are waiting to be reunited with their families here. Under a quota system, Hong Kong allows only 150 permits a day for one-way border crossings, with 66 slots set aside for children reuniting with parents.

"This is a very critical moment," said Ho Hei-wah, director of the Society for Community Organization, which is assisting the families. "If they can stay in Hong Kong until the first of July, they automatically have the right of abode" because of the Basic Law.

The incoming government of Tung Chee-hwa, China's future chief executive for Hong Kong, recognizes that the influx of children, and the 130,000 more waiting to cross, is one of the most pressing issues it will face.

Most of the parents, though, are not interested in waiting. Many say they have waited long enough and have had to endure not only the grinding bureaucracy in China, but also corrupt local officials who demand huge bribes to give children higher places on the waiting lists.

The government here has announced that those children entering illegally will be sent back to China and forced to wait their turn. To allow them to stay, officials have said, would lead to a rush of illegal immigrants. A general amnesty also would be unfair to those who have waited their turn, officials say.

Other illegal immigrants here have told of Guangdong officials demanding bribes in exchange for favorable places on the waiting list.

"The Chinese government doesn't have enough control over its local officials," said Yun Shat-man, who chairs a support group for illegal immigrants.

While the officials charge the equivalent of $25,000 for favorable treatment, the snakeheads offer immediate results at lower prices. One young woman said she paid a snakehead $12,500 for three persons — herself, a sister and her 6-year-old brother.

But some parents here say they would rather wait than put their children's lives in the hands of the snakeheads. Choi Wai-kwan, a Hong Kong wholesaler who married in Guangdong in 1985 and has been waiting ever since to bring his wife and four children here, said: "The parents are too impatient, and too anxious."

IRAN: *Radicals Threatening Germany*

Continued from Page 1

and go for martyrdom. Woe to you if you do not apologize for your actions."

As he spoke, dozens of people signed up on the spot to become suicide bombers, according to an Associated Press report from Tehran. Mr. Allah Karam declared that hundreds of others had already volunteered for suicide attacks against Germany.

"Right now our government won't allow such actions, but we are negotiating with it," he said.

"Once our deadline passes, then Germany will be confronted with the explosion of the Hezbollah," he added, without specifying when the deadline would expire.

Hundreds of policemen in riot gear were arrayed in four human walls to shield the embassy, as protesters shouted "Revenge, Revenge!" Disabled war veterans also joined the demonstration after the government said it would press charges against 24 German firms accused of supplying Iraq with chemical weapons used on Iranian soldiers during the 1980-88 war.

Mr. Allah Karam's group is not believed to be linked to the Iranian-backed Hezbollah group in Lebanon that carried out kidnappings of Westerners there. It is mainly a pressure group representing poor people who seek to prevent Iran's ruling Shiite clergy from straying from the hard-line values of the 1979 Islamic revolution that toppled the shah.

Until now, the Iranian government has expressed outrage but reacted with caution against the German court ruling. Germany is Iran's leading trading partner and has long acted as a special intermediary during times of tension with other Western countries. After withdrawing their ambassadors in tit-for-tat protests, both Iran and Germany declared they did not wish to see the dispute escalate to open hostility.

But with Iran heading into the final stage of campaigning for its presidential election next month, the anti-Western fervor in the wake of the German verdict has been exploited by radical groups that want to purge moderate voices from government.

After keeping a low profile immediately after the verdict, leading Iranian politicians reacted angrily when the lower house of Germany's Parliament approved a resolution this week condemning Iran for ordering the assassinations. Tensions could rise further if German prosecutors decide to prolong their investigations into the role played by Iranian leaders in the work of Iranian hit squads in Europe.

Colony Democrat Meets U.S. Leader

Reuters

WASHINGTON — President Bill Clinton assured a Hong Kong democracy advocate on Friday that the United States was pressing China to honor the colony's democratic freedoms when it resumes sovereignty on July 1.

Martin Lee, the leader of the Democratic Party in Hong Kong, met at the White House with Vice President Al Gore, with the president joining the 45-minute meeting for about 25 minutes. Afterward, the White House spokesman, Michael McCurry, said:

"The president said China should not only uphold the economic freedoms that have been so important to the people of Hong Kong but should also continue to extend civil and political freedoms to the people of Hong Kong.

"The president strongly shared the view, expressed also by Mr. Lee, that support for the rule of law, that press freedoms, that freedom of speech, freedom of assembly and the liberties that have been associated with the people of Hong Kong should and must continue."

ALLIANCE: *A Telecom Switch*

Continued from Page 1

Telia of Sweden. It also includes Telefonica de Espana, although the deal with BT and MCI, which are to be known as Concert after they are merged, is likely to end the Spanish company's participation.

Unisource, Concert and Global One, an alliance of Deutsche Telekom, France Telecom and Sprint Corp., are vying to supply long-distance and other telecommunications services to the world market, mostly for multinational corporations.

Telefonica de Espana made conflicting statements about its exact future with Unisource. In the announcement with the Concert partners, the company's chairman, Juan Villalonga, said: "We are initiating steps to withdraw from Unisource. I have informed our current partners of this intention and have begun discussions on the conclusion of our arrangement."

Later in the day, however, Fernando Panizo, the chief operating officer of Telefonica Internacional, said that the deal with the Concert partners was "focusing on the Americas" and that Unisource was viewed as a European alliance. He said, "We have decided to start the conversation with our partners in Europe" about the company's future role in that grouping.

Bloomberg News quoted Mr. Villalonga as saying: "The agreement doesn't negate or contradict the agreement with Unisource, which is a strictly European alliance. We have been in contact with the other Unisource members to talk about the impact of what we are signing today and to discuss our future in Unisource in the medium term."

Although Unisource is a European grouping, AT&T noted that it is also part of the WorldPartners Association, which includes Singapore Telecom and Kokuisai Denshin Denwa Co. of Japan. AT&T said it "regrets Telefonica's decision to pursue their own interests at the expense of their partnership with AT&T and Unisource."

Whatever the resolution of the Unisource question, analysts said the agreement was a positive development for BT. "It is clear that Concert is on a roll," said Jeffrey Kagan, an industry analyst in Atlanta. He said people would be "very shortsighted" to think that the Unisource members were not "reassessing their position right now."

Unisource is structured as a confederation of independent companies, noted Sim Hall, who follows the communications industry at Action Information Services in Falls Church, Virginia, while Concert and Global One provide for cross-shareholdings.

ANCESTOR: *Scientists Find Possible Forebear of Man and Apes*

Continued from Page 1

terial, remnants of a thigh bone and parts of the spine and shoulder socket, belonged to an animal about 4 feet tall (122 centimeters), weighing 90 to 110 pounds (40 to 50 kilograms), that was a "cautious climber," according to the researchers.

M. Bishopi's capacity to hang by its arms while browsing through the heavy forests that covered central Africa then may have given it a competitive advantage in dining.

David Pilbeam of Harvard University, one of the institutions that made up the international team, said the consensus among scientists is that arm suspension allows an animal of substantial weight "to get into parts of trees that others can't because it can distribute its weight better than animals that place all their weight on top of the branch."

The creature likely walked on its palms when traveling on the ground; knuckle-walking, scientists say, was a later development.

Before M. Bishopi, the best fossil evidence of early Miocene ape-like creatures was much more monkey-like.

"Very few of the remains," said Bill Kimbel, science director of the Institute of Human Origins in Berkeley, California, "approached the anatomy that would have been expected."

Specifically, three features that are logically necessary to the eventual development of modern apes and humans were conspicuously missing.

Any animal that is going to spend an appreciable amount of time in an upright posture needs a fairly stiff lower back. That entails broad, short lumbar vertebrae with bony outcroppings to anchor the spine in muscle, reducing flexibility. In addition, an arboreal creature that often has its backbone in a vertical position — an essential anatomical prerequisite to walking on two legs — would probably need a thigh bone thick enough to absorb a lot of vertical stress and a shoulder socket that permits ample swiveling movement, especially for raising the arms directly over the head to pull up. (Monkeys cannot do this. They climb like cats.)

Until the report Friday, none of the leading candidates for a common hominoid ancestor, including the dozen species of ape-like creatures known to have existed 18 million or 20 million years ago, have quite fit the bill. Those species that did dated from nearly 10 million years later.

With one possible exception: A group digging in Uganda in the 1960s turned up the remains of a creature that seemed to satisfy many of the criteria. But scientists were baffled by its seemingly contradictory features. The skull, jaw and teeth appeared appropriately primitive. Yet its stiff back seemed a bit too much like that of modern apes.

In 1994 and 1995, the scientists whose work was published Friday revisited the site. They dug up many new skeletal samples apparently of the same species and then subjected their find to geochemical dating methods not available in the 1960s. The result showed that the creature was nearly 21 million years old.

But several top scientists said they were unconvinced. "The material, although important and interesting, is very scrappy," said David Begun of University of Toronto. "It's very difficult to interpret."

UNIVERSE: *Upending Age-Old Theories*

Continued from Page 1

but rather defines a direction of space that somehow determines how light travels through the universe. As observed from Earth, the discoverers said, the axis runs one way toward the constellation Sextans and the other toward the constellation Aquila. Which way is up and which way down, whether toward Sextans or Aquila, would be a matter of arbitrary choice.

The discovery was made by Borge Nodland of Rochester and John Ralston of Kansas, using radio-wave observations made by different astronomers around the world. In a report to be published on Monday in Physical Review Letters, the two physicists concluded on a note of excitement tempered with caution.

"Barring hidden systematic bias in the data," they wrote, the behavior of electromagnetic radiation propagating over vast distances "indicates a new cosmological effect."

In an announcement by the University of Rochester on Thursday, Mr. Nodland said: "The big news is that perhaps not all space is equal, for as far back as we can peer in time. This work defies the notion that there is no 'up' or 'down' in space." Mr. Ralston said, "Our observational data suggest that there is a mysterious axis, a kind of cosmological north star that orients the universe."

Few other physicists and cosmologists have had a chance to read the journal report, but they agreed that the research must be tested thoroughly before the conclusions can be accepted. "It would be a really profound change in physics, if it is true," said James Peebles, a Princeton University astrophysicist.

Stephen Maran, an astronomer at the Goddard Space Flight Center in Greenbelt, Maryland, said: "Anytime you find a new effect globally in the sky, the crucial issue is always whether you have correctly taken account of systematic errors in the observations. And any result of this potential magnitude is going to be viewed with considerable skepticism until new experiments can be done to verify it."

In their report, Mr. Nodland and Mr. Ralston constructed a mathematical theory that could explain the observations. The data indicate that light actually travels through space at two slightly different speeds.

The physicists say the axis of orientation they have inferred would appear to be along different lines in different parts of the universe, but they would be parallel to the one observed from Earth.

The implications of the research could be enormous. For example, scientists might have to reconsider the concept that the Big Bang, the theorized moment of cosmic origin, was completely symmetric.

EUROPE: *Plan for Common Currency Moves to Center Stage*

Continued from Page 1

monetary union ahead of you, you can't very well concentrate on institutional reform," said Juan Roldan Ros, a European Union spokesman. "Now 2002 is the earliest possible date, and even that is going to be very difficult."

The first new members from central Europe are likely to be the Czech Republic, Hungary, Poland and possibly Romania, the same countries that hope to be the first to join the 16-member NATO alliance.

The U.S.-led alliance looks set to approve its own post-Cold War reorganization plan and name prospective new members at a summit meeting in Madrid in July, and it expects to let the first ones in by 1999, well before any of them will become EU members.

The irony is that much of the European Union's disarray is caused by a project that Mr. Kohl and other leaders conceived after communism collapsed and allowed the reunification of Germany at the beginning of the decade.

They intended the common currency to be a compelling symbol of continued German commitment to European unity, even if it meant the sacrifice of the Deutsche mark, the Germans' own symbol of postwar prosperity.

But at the insistence of the German central bank, they also set down tough fiscal and budgetary criteria to determine which countries qualified to become members.

Because unifying the two parts of Germany cost hundreds of billions of dollars and unemployment has risen sharply to more than 12 percent, Germany now seems likely to meet only by the skin of its teeth the toughest requirement — whittling its public-sector deficit down to no more than 3 percent of gross domestic product by the end of this year.

Mr. Kohl has repeatedly vowed to make the goal and Finance Minister Theo Waigel insisted for most of the past year that it had to be strictly observed to make the euro as strong as the mark.

Mr. Chirac, whose country, along with Germany, would have to make the target to get the common currency off to a credible start, undertook spending freezes, incurred the wrath of labor unions and saw his popularity sink even further than Mr. Kohl's, with only 38 percent of the French supporting him, according to a recent poll published in Le Figaro magazine.

The difficulties led to talk of delay in putting the currency plan into effect.

But that stopped earlier this month after Mr. Waigel said, "I have never nailed myself to the cross of 3 percent," indicating that Mr. Kohl and other European leaders could decide next year to go ahead with the common currency if they simply come close to the criteria.

If the changeover to the euro does start on schedule on Jan. 1, 1999, making it work will take until 2002, which is when the new currency would start replacing francs, marks and the money of other countries that join.

A Reflected Glory?

Byzantium: A Name of Many Cultures

International Herald Tribune

NEW YORK — Few art shows can be as dazzling, yet as baffling as "The Glory of Byzantium," on view at the Metropolitan Museum until July 6. As the viewer walks from one beautifully designed room into the next, with a clever distribution of monumental remains, of which there are few, and small works of art that are the true glory of the exhibition, he or she soon wonders whether Byzantium describes a reality or a myth. Behind that deceptively simple label there was not one culture, but several.

The show begins in Greece, or to be accurate, Constantinople, the capital, which the Turks overran in 1453, called Istanbul and virtually emptied of its Greek population.

Of monumental painting, remarkably little is to be seen. One might have hoped that an exhibition that begins in 843, when the ban on figural images was lifted, and ends in 1261 would show some of the new art. But few murals survive from the 10th or 11th centuries. The reader of the important book edited by the two organizers, Helen Evans and William Wixom, will wistfully gaze at the color plate showing the Church of the Holy Apostles in Athens, covered with frescoes in the 11th century, of which some are visible in the upper areas. The show merely offers a few fragments from Episkopi. In one, dating from the early 11th century, stylized figures throw dark, vivid stares. How the transition was bridged between this powerful Primitive phase and the Expressionist manner of the early 12th century, represented by two fragments from some monastic ruins on Mount Papikion, escapes us.

MOSAICS did not fare much better than frescoes. Of the famous revetments that decorated the ninth-century Stoudios Monastery in Constantinople, only the head of a Virgin survives, disfigured by restoration that involved resetting the tesserae.

A single figure of a saint, rescued from the fire that burned down a sanctuary at Serres, represents the early 12th-century style, revealing the close connection between mosaics and painting. The trompe l'oeil relief effect through the play of stylized light and the rippling movement in the hair resembles those in the head of Saint Mark from Mount Papikion. How the jump was made from this visionary style to a more worldly art illustrated by two fragments that turned up in Switzerland may never be known — the intermediary links are missing.

Sculpture is about as scarce as painting. One can only

SOUREN MELIKIAN

marvel at the grandeur of the mid-11th-century Mother of God carved in low relief and wonder, here too, what itinerary took Greek artists from there to the two low reliefs from the Monastery of the Virgin Peribleptos representing Mary and the Archangel Gabriel. These are given late 12th-century dates. But their faces, filled with very human emotion, seem so close to early Gothic French sculpture that one suspects some interaction, presumably during the Crusader occupation of Constantinople, from 1204 to 1261.

If Greek art in the Byzantine age is ever to yield its secrets, this should be through the smaller works of art, the ivories, the manuscripts, the cloisonné enamels, which together account for the magnificence of the show. Unfortunately, each category represents an art-historical maze.

The ivories scattered across the world raise the most intriguing questions. These begin with geographical provenance and, therefore, cultural identity. Just what comes from Constantinople, or more broadly, from Greece? Few would question the attribution of the panels with the Apostles standing in twos preserved in the Kunsthistorisches Museum, Vienna, and the Museo Archeologico in Venice. These offer striking examples of the survival of the Hellenistic tradition into the 11th century.

But when it comes to the wonderful icon with Christ's Mission to the Apostles, lent by the Louvre, considered to be earlier by half a century, one hesitates. The shadow of a smile hovers on the face of an inscrutable Jesus standing between the Apostles in rows six deep on each side, bending deeply forward. The theme, "Christ's Mission to the Apostles," is known in the Latin West. Could this by any chance be the work of a Byzantine artist passing through Germanic lands, perhaps Metz or Strasbourg?

A greater enigma is posed by the "Veroli casket" purchased by the English dealer John Webb in 1861 from the treasury of the cathedral in Veroli, Italy. Decorated with scenes in the late Antique taste, its high-relief technique finds no parallel in work associated with Constantinople. It is supposed to date from the mid-10th century. Are we sure that this is not Italian work?

That such interaction between eastern and western Christendom did exist is established in a fascinating, but confusing, section that deals with the contacts between Byzantium and the West. There, one can see ivories acknowledged to be German, albeit influenced by Byzantine art, such as the Cleveland panel illustrating Christ's Mission to the Apostles. Other ivories are credited to Italian workshops. Such is a marvelous panel with Christological scenes — bought, like the Veroli casket, by Webb.

Most enigmatic is a panel from Copenhagen with a Crucifixion, in which Jesus is named in runic characters on the tablet that supports his feet. A Romanesque sketch proves that the panel was in the West at an early date. Recently, an attribution to Scandinavia was suggested. Charles T. Little, curator of medieval art at the Met, rejects it. Yet the aesthetic feel is so far removed from the 10th-century ivories plausibly ascribed to Constantinople that an alternative attribution is tempting. The extremely elongated figures that have an early Romanesque feel make a Byzantine provenance open to question at the very least. This is one among several masterpieces that make this beautiful show so disconcerting.

ADD the section "Byzantium and the Islamic East" and its many works of art that raise problems of cultural history as yet unresolved, such as the 13th-century, possibly Syrian, bronzes decorated with Christian scenes or characters. Add other sections in which the art of Georgia and the art of Armenia, far removed from the art of Byzantium, are expedited in allusive fashion.

Throw in a brief excursus into the Russia of Kiev and into Bulgaria, and the least experienced visitor begins to sense that the exhibition suffers from overload.

Five distinct shows have been jammed into one. The first deals with the art of Christian Greece, the second with its extensions into Eastern Europe, the third with the Byzantine impact on Western Europe, the fourth touches on Georgia and Armenia, and the fifth on the interaction between Islam and Christianity. One, the first, is brilliant. Regarding the others, the job has yet to be done.

Icon with Christ's Mission to the Apostles.

Inspired by Europe, Japan's Cubist Master

By Velisarios Kattoulas
International Herald Tribune

TOKYO — The latest retrospective of Tetsugoro Yorozu's paintings is worth a visit just for a glimpse of his earthy "Leaning Woman," the first Cubist masterpiece by a Japanese painter. Hung behind a dividing wall midway through the exhibition, it is hidden from visitors until they are close enough almost to touch it. It has such power that it appears much larger than it is.

Yorozu is best known as one of the first Japanese artists to find inspiration in the works of European painters such as van Gogh, Cezanne, Gauguin and Matisse. Indeed, Japanese critics attacked his early paintings for simply replicating the works of Europe's Post-Impressionists. Yet at times before his death in 1927, he also incorporated into his paintings elements of Japanese shamanism and of Nan-ga paintings from southern China, developing several styles of his own.

Yorozu, the son of a wealthy merchant, was born in 1885 in the village of Tsuchizawa in northwestern Iwate Prefecture. He practiced traditional Japanese painting from an early age and first experimented with Western styles of painting around 1901 after buying Tohjiro Ohshitaa's "A Guide to Watercolors," which sparked a watercolor boom among teenagers across Japan.

He began to attend a Zen seminary in Tokyo around 1904, and in 1905 joined a priest on a trip to the United States to set up a seminary there as well. When the plan fell through, Yorozu moved in with a family in Berkeley, California, as their houseboy. He wanted to attend art school in the United States, but his aunt, who took care of him, refused to pay for his studies and he returned to Japan in late 1905.

His contemporaries and biographers attributed the strong self-possessed and introspective traits of Yorozu's work to his experimentation with Zen meditation and to his setbacks in the United States.

IN April 1907, Yorozu began attending the Tokyo Art School. In an autobiography published in 1925, he wrote: "When I look back, what I enjoyed most was the five years at art school. It seems as if the sun was shining brightly just on those five years."

It was at art school where he first encountered Post-Impressionism. That influence is apparent in "Nude Beauty," which Yorozu painted as a graduation project in 1911. The painting is of a semi-nude woman lying on a patch of grass with a red cloth wrapped around her waist. In it, Yorozu borrowed heavily from Matisse and van Gogh, and possibly Gauguin. And although the painting created a stir among academics at the Tokyo Art School, it is today considered the first Japanese painting indicating an understanding of Fauvism.

The following year, Yorozu took part in an exhibition organized by the Fyuzankai, a group of young artists who shared in common an interest in Post-Impressionism. The opening of their exhibition coincided with that of a government-backed exhibition of more traditional works and the Fyuzankai's exhibition was branded anti-government and lambasted by newspaper critics.

In response to the criticism and to discord within the Fyuzankai, Yorozu volunteered for short-term military service in 1913 and was sent to northern Hokkaido. But his stint away from Tokyo failed to ease his frustration with Japanese artistic circles and the following year he returned to his hometown, where in 1917 he painted "Leaning Woman."

The show, at the National Museum of Modern Art in Tokyo, continues until May 11.

Yorozu's "Leaning Woman," 1917.

Louise Erdrich Tells of Dorris's Troubled Life

By Rick Lyman
New York Times Service

MINNEAPOLIS — Louise Erdrich got the word that Michael Dorris, her estranged husband and fellow author, had suffocated himself last Friday in a New Hampshire motel room when a mutual friend called from the scene. She was not surprised.

For one thing, she knew that Dorris had attempted suicide two weeks earlier. But there was more than that, Erdrich said, things that few people knew, some things that only they knew. "I knew that Michael was suicidal from the second year of our marriage," Erdrich said during a long, emotional interview on a lakeside park bench not far from downtown Minneapolis. He talked about it often, she said.

"Suicide," Erdrich said. "It's a very tangled road, a tangle of paths and dead ends and clear places and it's gone. He descended inch by inch, fighting all the way."

Now, Erdrich said, she wanted to talk about their lives and about the circumstances surrounding his death — to correct some misconceptions that "seem to be floating around in the media" and to help shift the emphasis from the "grotesque details" of Dorris's death and "morbid fascination" with the most intimate details of their private troubles.

"He deserves, in his death, some self-respect and dignity," she said.

Erdrich spoke softly, paused often to hold back tears and seemed tired. She clutched a yellow legal pad covered with doodles and a few lines she had written "during periods when my thoughts have been clear."

It was true, she said, that what had begun as an honest effort by both to divorce amicably had turned acrimonious in recent months, but, she said, there was never any custody dispute. And rumors that she left Dorris a year ago for another man or, as one rumor has it, another woman, are not true, she said.

"There was no one reason, there were many reasons," she said about the divorce. In part, it had to do with the burden she felt she carried, supporting Dorris in his depression and sleeplessness.

Erdrich and Dorris, both award-winning writers, had a remarkably close literary union, writing some books together, often editing and rewriting each other's work. They met in 1976, and had three children of their own and three adopted children, one of whom died in 1991. They have lived here since 1993.

Friends and colleagues who have expressed shock since Dorris's death did not really know his "private suffering," she said. Dorris only presented part of himself to the world, Erdrich added. "That was only the third floor of a building with a very deep basement. His friends would be very hard pressed to believe the amount of pain he was in at times."

Did he keep these troubles to himself? No, she said, "he kept them to me." Indeed, close friends of Dorris have said in recent interviews that they found it difficult to believe that the generous, brilliant and gregarious man they knew was secretly tormented by depression and thoughts of suicide.

"He may have had his dark moments, but to say that he was fixated on suicide, I didn't see it," said Doug Foster, a former editor of Mother Jones magazine and close friend of Dorris.

That came only at the end, Foster said, when Dorris became aware he was being investigated for the possible sexual abuse of one or more children. On the day of his first suicide attempt, Dorris told Foster he had received word that criminal charges could very well be filed against him. "The Michael I spoke with in the final weeks was bewildered and anguished," Foster said. "He could see no way out and said he couldn't bear the thought of being charged with such crimes. He was concerned about the effect on his children, his mother, Louise and his work."

THE files of the investigation, by Minneapolis police, have not been made public, and Erdrich declined to talk about the details or to say who filed the charges or whether her own children were involved.

"It was always intended to be a private, family matter, and it is still a private matter," she said. "I don't agree in trying a man in the press after he is dead and judging him guilty or innocent."

Besides, she said, other people might be hurt if the investigative files are made public. Lawyers for her and for Dorris's estate are asking a Minnesota judge to keep those files closed; normally, a case is declared closed when the person being investigated dies and the file becomes public.

But Erdrich said Dorris's suicide should not be blamed on the investigation.

During their marriage, Erdrich said, the subject of suicide came up often, sometimes over seemingly trivial issues. "It was just part of our marriage," she said.

Dorris's final descent "started happening a year ago, when I left him," she said. That night, as she walked away from their house, she took with her Dorris's copy of a book on committing suicide because she feared he would use it.

When he made a serious suicide attempt March 29, in a cottage on their New Hampshire farm, Erdrich said she felt that now others would share the burden with her. "At last, everyone would know how purposeful it was, and someone would stop it," she said. She added, "I do not think he slept in the last year of his life."

Now, Erdrich said, she is concerned about her three daughters — and about an adopted son and daughter who had been estranged from the family in recent years.

"We took it all on the chin when this came out," Erdrich said. "Front-page newspaper story. It's ugly, and the kids had to take it right in the face and they're still taking it."

Earlier this week, Erdrich visited each of her daughters' classes so she could answer questions about the suicide from the children.

"I think people want to know, are his daughters going to be O.K.?" she said. "They are going to be O.K."

Already, there has been healing. The two adopted children, now young adults, have recontacted the family. "I think that by the time a year goes by, I think a great deal of healing will have taken place in all of our lives," she said. "All of Michael's children will be able to embrace one another."

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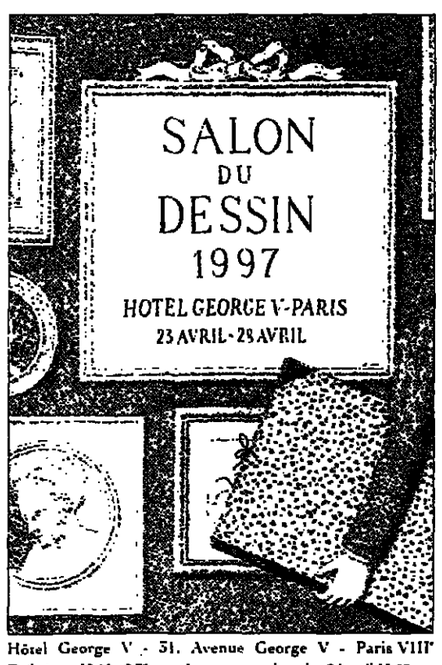

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BOOKS

ROADS TO SANTIAGO

By Cees Nooteboom. Translated from Dutch by Ina Rilke. 352 pages. $25. Harcourt Brace.

Reviewed by
Colm Toibin

CEES Nooteboom writes about a journey to the Basque country: "I read my paper and look at the palm trees all tied up for winter, and the empty Sunday morning pavements and wish that my entire life were a provincial Spanish Sunday morning, and I the sort of man who belonged there." This is an exemplary travel book, the result of 40 years wandering in provincial Spain, looking at buildings, especially Romanesque churches, searching for dullness and emptiness and quietness. Nooteboom, born in 1933, is a distinguished Dutch novelist who had an early vocation to be a Trappist monk, and this may explain the book's contemplative tone.

The destination is the holy site of Santiago de Compostela, but it is the getting there that counts. Tourism here becomes a form of holy pilgrimage.

He loves the simplicity of Romanesque architecture: "This is the first great European art movement since the classical period, and as such it expresses a character and world view all of its own: it is so totally enmeshed with what people thought and believed — which amounted to the same thing in those days — that it is fair to say that Romanesque art is a world view expressed in stone." In Spain, there is something humble, almost vulnerable about the Romanesque churches; they lack the finished, majestic awe-inspiring style of the Gothic. They stand in out-of-the-way places, they are graceful and understated, built at a time when Spain was an unstable set of regions and shifting power structures. It is this humility, grace and understatement that clearly attracts Nooteboom; his own prose has a similar style. If novelists were churches, Nooteboom would be Romanesque.

Nooteboom attributes his love for Spain, which fills every page of this book, to a "chaotic streak in my own character." But it is a very orderly, rather Dutch chaotic streak. He is appalled by Basque violence and unwilling to explore or, indeed, entertain Basque or Catalan separatism. He has, however, steeped himself in the history of Spain from the clash between the Arab and Christian worlds to the Spanish Empire to the civil war. As a Dutch writer, he envies Spain its vast linguistic spread. During his travels, he notes the deaths of Borges and Cortazar; he wishes that his own language possessed such far-flung heroes. He likes to be precise about the names for things, and is sad that Dutch is not a world language, like Spanish or English.

Nooteboom dwells on the echoing emptiness of monastic buildings, on being the lone visitor out-of-season. He contemplates the life and work of certain painters and writers; he is especially good on Zurbaran and Velasquez and Cervantes. There are no bullfights in his book, or crowded beaches. "I find it infuriating," he writes, "that, just 440 kilometers from Barcelona, there should be a completely unknown world which millions of sun-worshipers race past — or fly over — each year. Ever heard of Siguenza, Burgo de Osma, Albarracin, Santa Maria de la Huerta? It doesn't reek of suntan lotion there, but of wild rosemary. . . . People always go on about peace and quiet and that there isn't enough of it. Well, there's plenty of it, megatons of emptiness, aeons of rest, hectoliters of silence."

Colm Toibin, whose books include "Homage to Barcelona" and the forthcoming novel "The Story of the Night," wrote this for The Washington Post.

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Arts & Antiques

For Asian Art, Market Shifts To New York

Despite Eastern Ties, London Loses Ascendancy

By Souren Melikian

NEW YORK — Every 30 years or so, a watershed is reached in the art market. Such was the case when New York was consecrated as the world capital of Asian art last month with the five-day Asian Fair as the central event at the Armory on Park Avenue.

No one viewing the archaic Chinese bronzes brought by Gisele Croes of Brussels, the Indian sculpture displayed by John Eskenazi of London, or the spectacular assortment of Japanese wood cuts covering the walls of the stand put up by Anisabelle Beres of Paris could doubt that the European dealers had reached that conclusion.

The Asians were thinking along similar lines. Grace Bruce Wu of Hong Kong was exhibiting her Ming and early Qing furniture in America for the first time. That the very aristocratic British-educated collector turned dealer who is married to a Briton should have made that choice says all about the decline of London, seen by most professionals as irreversible.

This is the more extraordinary as London seemed to hold all the trumps. The English capital still has its fantastic museums, a tradition in Asian studies that goes back three centuries and an even longer collecting tradition as witness the Blue and White ceramics with Elizabethan silver mounts. Not least, London had a seemingly indestructible network of Far Eastern connections in which two Anglo-Chinese cities, Hong Kong and Singapore, played a key role. Its links with the Indian subcontinent appeared to be even more durable.

All that has been allowed to wither away. Succeeding Conservative governments have cut off grants to museums, to academic institutions and to students. And political events are backfiring. The auction outpost in Hong Kong that Sotheby's, led by its then chairman Julian Thompson and his U.S. colleague James Lally, set up in 1972 seemed impregnable. It is now declining. Lally has become a shining light in the American trade in Chinese art — in New York, of course.

What made New York's "Asian Week" such a resounding success was the synergy between the fair, now in its second year, and the booming New York trade, hugely reinforced by European newcomers. Giuseppe Eskenazi of London (not to be confused with his cousin John), a world power in Chinese art unto himself, came over from London to stage a solo show. Eskenazi, who in a 35-year career had always sworn that he would never take part in a fair, was convinced by his son Daniel that they simply had to be present in New York. He hired premises at 28 East 78th Street, where Daniel put together an elegant display of early Han and middle Tang pottery sculpture. The Eskenazi show which opened on March 18 instantly became the talk of the town and served as a fantastic overture to the fair.

Continued on Page 9

Sotheby's

A fine Nepalese gilt-bronze figure of a bodhisattva sold for $277,500.

New World Is Luring Old Masters

U.S. Buyers Are Ready to Pay Much More Than Europeans

NEW YORK — Slowly but surely the center of gravity is shifting from London to New York where Old Masters are concerned.

Regarding drawings, this is a fait accompli. In December, as in the previous year, there were no late autumn sales of Old Master drawings in Christie's main London rooms, nor at Sotheby's. But late in January, the traditional time reserved for Old Master sales in New York, both Sotheby's and Christie's were ready, with two thick catalogues.

The recent history of several drawings was an equally telling symbol of the transfer from London to New York. Sotheby's ran on its catalogue cover the study sheet of a young Christ child in red chalk which served as a model for the Kunsthistorisches Museum's "Holy Family." The painting is believed to have been painted in Raphael's studio. The drawing, however, is accepted by specialists as an original Raphael and the man who first identified the master's hand two decades ago is Philip Pouncey. After years spent in the prints and drawings department at the British Museum, Pouncey went over to Sotheby's where he became the ultimate arbiter, universally admired for his profound connoisseurship and his sharp eye. That "his" drawing should end up in New York must be a bitter pill to swallow for his disciples.

The other most desirable drawing, which was arguably Parmigianino's "Mary Magdalene Anointing the Feet of Christ," had been in England for two centuries when it was sold as a part of the famous Gatborne-Hardy collection at Sotheby's, London, in April 1976. In January this year, the Parmigianino, consigned to Sotheby's, New York, made $51,750.

Then came the ultimate rarities in the sale, six gouaches on vellum of flowers painted by one of the most adventurous characters in 16th-century Europe, the French Protestant Jacques Le Moyne de Morgues. The illustrator who accompanied the ill-fated French expedition to Florida in 1564 was one of only 15 survivors to return to Europe. He was in London by 1581. There he specialized in flower and plant painting of which the most famous group is in the British Museum album dated 1585.

Two decades ago, the six gouaches, which were among the great discoveries of the late Eric Korner, would have been earmarked for a London sale. The surreal appeal and startling modernity of miniatures, such as "A Thistle and Caterpillar" sold for $112,500 or "Hollyhocks" which climbed to $115,000, would have had nonconformist European collectors scrambling to get these works, which would have sold at least as well in Europe. But, there again, New York was the consignor's choice.

Will Old Master paintings go the same way as drawings? For the time being, there are still wonderful pictures in London auctions. Sotheby's scored brilliantly in July 1996, and Christie's took over in December with a few remarkable pictures, including Michele Marieschi's £1.54 million ($2.54 million) "Courtyard of the Doge's Palace" with a monumental quality that places it far above the exalted picture postcard category in which so many Venetian Vedutisti belong.

"The Holy Family" by Schedoni was sold for a record $1,432,500.

But late in January, the New York sessions were more impressive. Sotheby's had a dazzling catalogue, starting from lot 1 with two panels on gold ground of the Archangel Gabriel and Mary, once part of a large altarpiece painted in the 14th century by Aretino Spinello. These were inexpensive at $145,500. Further down, a very rare miniature painting on copper signed in full by the Flemish Mannerist Joachim Wtewael and dated 1608 sent all the European professionals attending into ecstasy. The picture came from a French consignor who, 10 years ago, would probably have chosen to send it to London. It climbed to an extravagant $2,587,500, a price which would probably not have been reached in London.

Nor would the record $1,432,500 paid for a very minor master, Bartolomeo Schedoni. The "Holy Family," of which Schedoni produced a number of variants, had one huge virtue in American eyes — the Farnese red wax seal on the back and an inventory number which dated it between 1607-1608, when Schedoni returned to Parma, and 1615, the year of his death. That gave it a princely cachet of historicity.

There were a few truly astonishing masterpieces. A Frans Post view painted in Brazil of extraordinary beauty and boldness which anticipates some 19th-century developments set the latest record for the 17th-century Dutch artist at $4.5 million.

BY THE time the sale reached the "Plague in an Ancient City" by Michael Sweerts which the Los Angeles County Museum of Art acquired for $3,852,500, another record price, professionals knew in their heart of hearts that they had just been witnesses to a victory for New York. In a market of shrinking supplies this means a defeat for London.

A day later, Christie's sale confirmed the trend. It was highly symbolical to see a still life by Juan de Zurbaran, the son of the great Francisco, which had belonged to Denys Sutton, the late English art critic, selling in New York, not London. Here again a world record was set for the artist, at $2.85 million. By European standards, the price is stupendous, however admirable the still life may be. It virtually equals what might have been paid for the incomparably more famous father.

That, in a nutshell, is one of the two reasons for the transfer of the market from London to New York. The first one is what seems to have been a policy on the part of one of the two auction houses which led the other to follow suit.

Continued on Page 9

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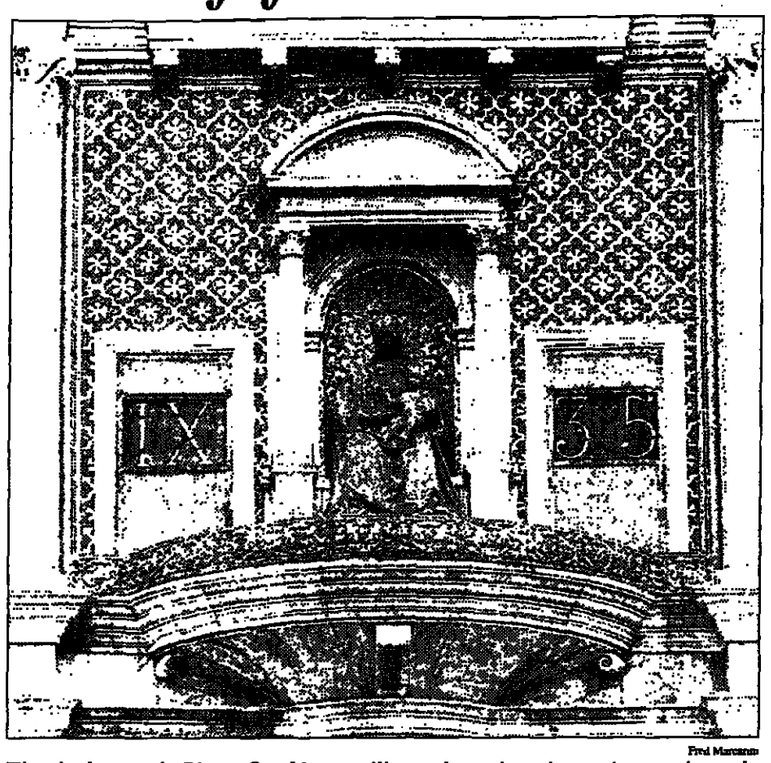
Time for a Facelift for Venice's Clock Tower

By Roderick Conway Morris



Fred Marcellino

The clock tower in Piazza San Marco will soon be undergoing major repair work.

VENICE — Having chimed the hours *almost* without break for nearly half a millennium, the clock tower in Piazza San Marco, with its glittering gilded and enameled faces looking on one side toward the sea, and on the other toward the crowded commercial districts of the Mercerie and Rialto, is about to fall silent and disappear beneath a shroud of scaffolding.

"The spur for undertaking this complete overhaul now has been the approach of the 500th anniversary of the clock tower's inauguration on Feb. 1, 1499," said Giandomenico Romanelli, director of Venice's civic museums. "But, frankly, without radical repairs, the clock, some parts of which are severely worn, could not go on working for much longer. The building has also been showing signs of instability, and modern fire and security alarms need to be installed in it."

Another pressing concern is the fixing of the feet of "the Moors" — the two Herculean bronze figures, whose lionskin-clad mechanical torsos swing round every hour, their giant long-handled hammers striking the hour on the bell atop the tower. (One of the Moors was responsible for perhaps the first recorded killing by robot in the early 17th century, when a workman was caught unawares by its hammer, sending him plummeting to his death).

The restoration will also return some other ingenious functions of the clock which have long been limited or suspended. The amusing painted and articulated wooden figures of the three kings and an angel that trundle in and out of doors on either side of the tower — the angel raising its trumpet to its lips and the kings bowing as they pass the Virgin and child in the niche above the clock face — will afterwards be in a condition to perform more frequently. Presently they only operate at the Ascension and Epiphany.

The concealed hammer behind the bell that used to strike 144 times every day at noon and midnight will be reconnected, too, though for the sake of the neighbors, its full potential will be reserved for special occasions.

The clock's enormous mechanism — the measured thunk-thunk of whose giant pendulum is punctuated every few minutes by a frenzy of whirling and crashing flywheels and ratchets — which simultaneously drives the faces on the front and back of the tower, will be completely dismantled and taken to a specialized workshop on the mainland near Mantua.

The Swiss watchmakers Piaget are contributing 500 million lire ($294,000) toward the restoration of the mechanism, a fairly modest sum for associating its name with not only one of the most venerable, but surely the most artistically stylish timepiece in the world, or about one fifth of the total estimated sum for refurbishing the clock and tower. The bulk of the cost is to be born by the Venice municipality.

Piaget is, however, to carry out a computerized record of the clock and its parts before it is dismantled, which could prove important in getting the clock started again.

The overhaul of the clock has brought to light a fact little known by even most Venetians: the clock tower still has a live-in custodian resident. He is Alberto Peratoner, grandson of Emilio Peratoner, a Ladin from Val Gardena in the Dolomites, who took over the care of the machine in 1916.

ALTHOUGH literally raised in the clock, Alberto Peratoner, a philosophy graduate and expert on Pascal, did not expect to follow in his forbears' footsteps until he was asked to do so on the sudden death of his father in 1986.

Since then Peratoner has combined his academic studies with keeping the mechanism going — there are four different cranks that have to be kept primed, at least one of which has to be rewound about every six hours. This means he not only has to understand the complex structure of the machine and the effects of climactic variations on its workings, but also to be able to handle its peculiarities.

Peratoner and his wife Rita will have to vacate their home during the restoration and, according to the municipality, it is not certain that a resident guardian will be required in the future. But whether this machine can really be kept running smoothly without the constant attention of a sympathetic keeper like its current one remains to be seen.

RODERICK CONWAY MORRIS is based in Venice.

Christie's

Gerome's retreat of Bonaparte's army in Egypt fetched $1,597,500 in February.

For Salon Art, a 'Comeback'

By Souren Melikian

NEW YORK — They should have thought about it in Paris or London. But it was left to Christie's, New York, to review in auction form the art recognized by French officialdom in the days of Corot, Monet and Renoir. It appeared in the "Salon," a yearly show where patronage, rather than genius, was crucial.

Salon art has had a bad name ever since 1863, when some angry young men called Bazille, Manet, and others, furious to be left out in the cold, held a *"Salon des Refusés,"* something like "The Refuseniks' Roadshow." The future would vindicate the Refuseniks so much so that few of us would be able to pin a name to the work of those they envied so much.

Yet, Salon art was a lot more diverse than is often thought. There was undoubtedly a vast chunk of kitsch — the British equivalent of which is currently praised to high heaven under labels ranging from "the Pre-Raphaelites" to "the Victorians." Charles Giraud's vision of an idyll in Brittany, possibly sent to the 1873 Salon under the title "Fileuses" ("Women Spinning"), should be fascinating to historians of the Breton costume or ethnographers studying the types of wine flasks found in farmhouses. Perhaps ethnographers were not sufficiently canvassed by Christie's. The picture fell unsold at $9,000.

The attraction of kitsch appears to be greater when backed by refreshing optimism. Theophile Louis Deyrolle dispatched his composition of peasant women resting in an orchard after cutting down hay to the 1898 Salon. The daughters of the earth look up with hopeful smiles that provide an astonishing anticipation of rural workers extolled by Stalin's artists and later by Mao's proletarian China. Did a soupcon of subversive Impressionism detected in the handling of grass and yellow flowers in the distance enhance its appeal to the modern eye? The 1898 Deyrolle ended up at $32,200.

Peanuts compared to the hero's welcome which greeted Jean-Leon Gerome. Few destinies are as curious as that of this supremely skilled artist. Privately, Gerome was capable of sketching in a few quick strokes landscapes as terse, and sometiimes almost as powerful, as a Rembrandt vision in pen and ink. For official consumption, Gerome, alas, painted labored affairs such as the retreat of General Bonaparte's army through the desert back to Egypt. The painter knew his public. This was much admired when it appeared at the Brooklyn Art Association in December 1872 and in September of the following year at the Metropolitan Museum of Art. Gerome's kitsch still has warm supporters judging from the $1,597,500 it fetched in February.

Or was it perhaps a tribute to the history of American connoisseurship as it stood 120 years ago? No such factor boosted a painting attributed to William Adolphe Bouguereau, the French king of kitsch. Bouguereau, president of the Academie des Beaux Arts from 1881 until his death in 1905, held a tight grip over the Salon. American patrons were so keen to acquire his work that they would wait years to receive their commissions.

Unfortunately, the portrait of a woman standing by a wall wearing an Ancient Greek drape, which typifies the Bourgeureau ideal, carried a name that was declared on closer inspection not to be from the master's own hand. A kitsch painting, not even redeemed by a genuine signature, gets a lukewarm reception. The would-be Bourgeureau sold for $46,000 instead of the $300,000 or $400,000 that might have been hoped for.

THE great man had many eager pupils. Emile Munier was one. "Le Sauvetage" ("The Rescue") sent to the 1894 Salon could almost be a Bougereau. Two putti are painted like children with bird wings sticking out of their shoulderblades. One of them dips his bow in the water to recover his quiver. Their mealy-mouthed expressions border on parody. Munier was not incompetent, but, with nothing to say, he said what others wanted to hear. "Le Sauvetage" made $225,000.

Not all of Salon entries were of that ilk by the end of the last century. But few today would easily put a name on the more interesting contributions. Even specialists barely know how to spell the name of the Brooklyn-born Sydney Mortimer Laurence who sent "Une Epave" ("A Shipwreck") to the 1890 Salon. He painted it at St. Ives in Britain, where he was to return in 1901 to spend the rest of his life until 1940.

Remarkable for its composition, bold and spare, its sense of intense light perhaps acquired during Laurence's earlier stay in Alaska, and its brushwork in short criss-cross strokes, the seaside landscape is atypical, according to Polly Sartori, Christie's senior director of 19th-century European paintings. If there is one thing that does not cost much, it is an atypical work by a forgotten artist. For anyone who really loves painting but has little money to spend on it, "Une Epave" was the year's bargain at $20,700.

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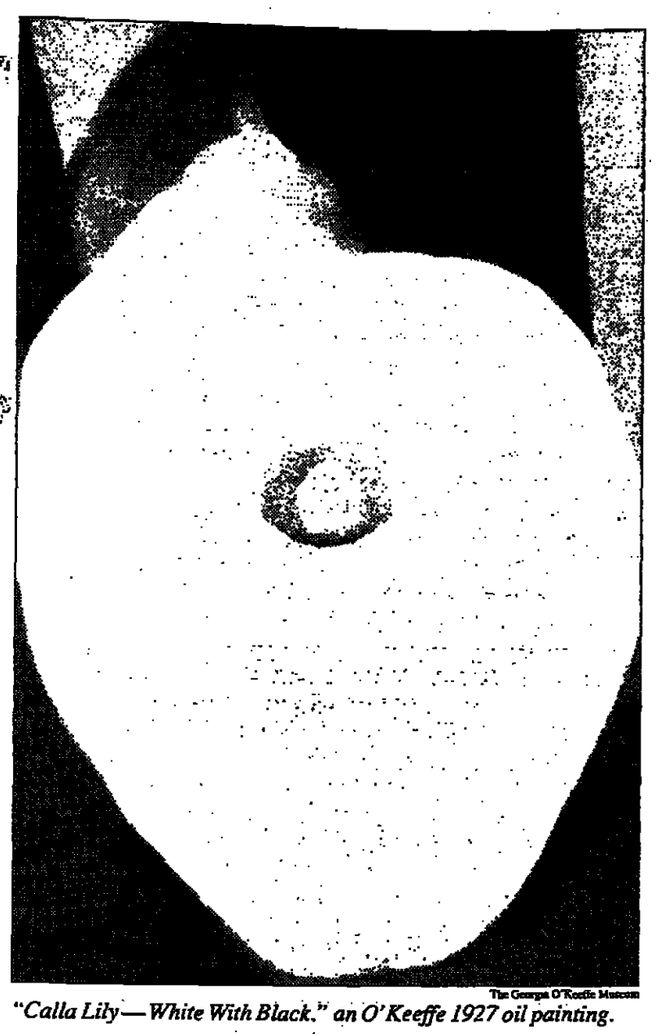

The Georgia O'Keeffe Museum

"Calla Lily—White With Black," an O'Keeffe 1927 oil painting.

Lasting Legacy for O'Keeffe

Museum Dedicated to Work of U.S. Abstract Artist

By Dana Micucci

SANTA FE, New Mexico — Santa Fe, the cultural capital of the U.S. Southwest, is as much associated with majestic desert vistas and Native American history as with the noted American modernist artist Georgia O'Keeffe (1887-1986), who adopted New Mexico as her home for the last four decades of her life.

In a tribute to her legacy as one of the most popular and original 20th-century American artists, the Georgia O'Keeffe Museum will open in Santa Fe on July 17. Situated in a renovated adobe building near the city's historic square, it is America's first art museum devoted to the work of a woman artist of international stature.

The world's largest repository of O'Keeffe's work will showcase more than 80 paintings, watercolors, pastels, drawings and sculpture representing all phases of her career. Subjects range from the artist's bleached desert skulls and iconic flowers to still lifes, nudes, landscapes and cityscapes, dating between 1914 and 1982.

The philanthropist Anne and John Marion, part-time residents of Santa Fe, founded the museum in 1995, after years of negotiation with the Georgia O'Keeffe foundation and O'Keeffe herself before she died.

"It's been a longtime dream for us," says John Marion, honorary chairman of Sotheby's North America. "We thought that an artist as significant as O'Keeffe should have a major venue for the exhibition of her art in the region that inspired her."

Thirty-three of O'Keeffe's works, purchased from the O'Keeffe Foundation by the Burnett Foundation of Fort Worth, Texas, headed by Anne Marion, form the core of the new museum's permanent collection. Proceeds from that sale will help to maintain the artist's fully preserved home and studio in Abiquiu, north of Santa Fe.

Other donations have come from Anne Marion, a longtime collector of O'Keeffe's art, as well as the collector Eugene Thaw and the Santa Fe art dealer Gerald Peters, who represented the artist for 20 years.

Highlights from the collection include "Jimson Weed" (1932), a signature large-scale, abstract flower painting representing one of O'Keeffe's favorite flowers; "Nude Series (Seated Red)," circa 1917, one of the artist's rare early watercolors; "Autumn Trees — The Maple" (1924), painted during one of O'Keeffe's frequent visits to the country home of her husband, the photographer Alfred Stieglitz, in Lake George, New York; and "Abstraction, White Rose II" (1927).

"O'Keeffe was a pioneer of American abstraction," says Peter Hassrick, director of the O'Keeffe Museum. "Her uniqueness lies in her ability to translate American themes and the landscape into exciting, emotionally charged images. Her reductive, close-up rendering of simple things like flowers and skulls challenges us to see the world in a new way."

The new museum will organize traveling exhibitions, lecture series, readings, performances and educational programs for children on O'Keeffe's art and that of her modernist contemporaries such as Arthur Dove, Marsden Hartley and Charles Demuth. It will also support new scholarships on O'Keeffe with the establishment of a study center housing archival material related to her work.

The O'Keeffe Museum, a private institution, has formed a partnership with the Museum of New Mexico which will provide for the sharing of collections, as well as staffing, membership and information programs.

DANA MICUCCI is a journalist based in New York.

The Georgia O'Keeffe Museum

"Nude Series (Seated Red)," one of O'Keeffe's early watercolors.

New York Gains Ascendancy Over London as the Capital of Asian Art Market

Continued from Page 7

"I sold 22 objects in 5 days" said Giuseppe Eskenazi.

From March 18 to March 22, the day the fair opened, the auctions held daily at Sotheby's and Christie's added up to just over $30 million.

On March 18, Christie's sold $1.94 million worth of Chinese paintings and calligraphy. There are no such sales in London because the buyers are American (right at the top) and Chinese, some from Taiwan, Hong Kong and the South Seas, others from North America. Until recently, the Chinese used to come to London. They are less inclined to do so these days. British reluctance to grant residency rights to Hong Kong citizens holding British passports has left scars in the Far East where public slurs are not lightly forgotten.

That same day, Sotheby's held its $1.76 million auction of Korean art. The high point was a Buddhist hanging scroll of the "Four Assemblies of the Buddha" dedicated in 1562 to the temple of Sangw'on-sa in Hamch'ang. At $717,500, the work of historic importance vastly exceeded the estimate. As with Chinese painting, New York has become the exclusive venue for Korean art of any importance for a simple reason: Korean collectors hardly come to Europe but occasionally go to New York.

On March 20, two other sales each symbolized the rising fortunes of New York. Christie's was selling the so-called "Jingguantang Collection Part II." As revealed by the IHT (March 22- 23), this was in effect part of the enormous art holdings of the Hong Kong businessman Tsing Tong Tsui. A decade ago, Hong Kong consignors who wanted to sell in the West settled for London. But Tsui, while a Hong Kong resident by adoption, does not enjoy real fluency in English and must have felt more at home talking to the Singapore-born head of the Christie's Chinese department in New York, Theow Huang-tow, who, like Tsui, speaks Cantonese. Tsui's sale netted $6,283,425.

On that same day, Sotheby's was holding an auction of Indian and Southeast Asian art. The quality of the objects left far behind anything seen in London, where Indian and Southeast Asian art are no longer dealt with as a separate category because there is not enough. The total sold was $3.7 million, even if nearly a third of the lots found no takers. The most expensive lot, an outstanding gilt bronze figure of a bodhisattva from Nepal probably of the 13th or 14th century, sold for $277,500 to an American collector. Not one of the 10 top lots is headed for Europe.

The primacy of New York in the Asian art field can only assert itself further. In order to keep in tune with European Union regulations, a 2.5 percent entry tax on art imported from outside the EU now hits all works of art sold in London. That guarantees that any consignor of Asian art at liberty to choose will give preference to New York. When the tax is raised to 5.5 percent in 1999, things will get worse. For now, London retains the serious advantage of being home to several of the world's leading dealers. Giuseppe Eskenazi, a longtime Anglophile, is moderately optimistic. While talking of having "a presence in New York," he adds in the same breath that you do not transfer a gallery as you pack a suitcase.

There is a complex, fragile infrastructure, a network of relationships with experts, restorers, packers and small-time runners sometimes bringing or drawing attention to important objects. Old clients are used to dropping in or consigning objects when these have to be disposed of. Giuseppe Eskenazi is not leaving on the next flight.

But allow the museum situation to deter further, scholarship to keep shrinking because university and museum positions are being slashed, collectors to keep their new acquisitions out of the country because they fear a tightening of border controls within the European Union, dealers to conduct an increasing percentage of their business outside Europe and not much will be left for London in a decade.

SOUREN MELIKIAN is art editor of the International Herald Tribune.

Old Masters Go West

Continued from Page 7

The second reason is that America, where art holdings do not remotely compare with what can be seen in Europe (think, precisely, of Francisco de Zurbaran) is prepared to pay three times what Europeans are willing to give for the best of what remains available. The Europeans often are not, even if they can afford it, because they are accustomed to seeing the greatest of the greatest, now locked up in their museums. The market infrastructure was bound, sooner or later, to be transferred, en masse, where the money is ready to be spent.

Souren Melikian

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Stand By Hong Kong

President Bill Clinton's meeting with Hong Kong's leading democrat, Martin Lee, should open an unabashed American campaign to defend Hong Kong's endangered liberties. Until now the administration has seemed reluctant to give high-level attention to the Hong Kong issue, presumably to avoid controversy with Beijing. Vice President Al Gore unwisely omitted Hong Kong from his itinerary when he visited China last month. Mr. Lee's Friday meeting with the president was scheduled only this past week, after considerable last-minute pressure on his behalf from Congress.

The administration's low-key approach has been a mistake. The fate of this prosperous and freewheeling society of 6 million people as it comes under the authority of one of the world's last hard-line Communist dictatorships is a compelling human drama. Mr. Clinton's ability to influence it constructively will be a measure of his international leadership.

When Margaret Thatcher and Deng Xiaoping worked out the terms of Hong Kong's transfer in a treaty signed 13 years ago, there were good reasons to be optimistic. China appeared to be opening to a period of political and economic reform. It seemed reasonable that its interest in maintaining Hong Kong's prosperity would lead it to abide by its word to respect the freedoms on which that prosperity is based.

But the crushing of the Tiananmen Square democracy movement in 1989 changed all that. Political reform in China halted abruptly. Hong Kong's huge demonstrations of support for the Tiananmen demonstrators led Beijing to see the colony as a potential seedbed of democratic subversion. China's eagerness to enforce political control seemed to gain priority over its desire to assure Hong Kong's continued economic dynamism.

China still desperately wants the transition to go smoothly and uneventfully, with no rude jolts to business confidence or Chinese relations with other countries. But Chinese behavior so far has provoked fears that it will violate its treaty commitments to grant Hong Kong substantial autonomy and not interfere with its freer way of life.

During the last year or so, China has moved clumsily and menacingly against Hong Kong's future freedoms. It designated a handpicked assembly of Beijing loyalists to replace Hong Kong's elected legislature. Its appointee as chief executive, Tung Chee-hwa, has said he will discard the colony's bill of rights and reinstitute tight restrictions on speech, demonstrations and political party activity. Chinese statements have also created doubts about the continued independence of the civil service. Weakening that independence would compromise Hong Kong's defenses against corrupt dealings by politically well-connected mainlanders.

Not all the recent signs have been bad. China has agreed to keep the top echelon of civil servants in their present jobs. Some of those elected legislators who have not identified themselves with Mr. Lee's Democratic Party have been appointed to the new assembly.

It is not clear what America can or will do if China proves determined to crush Hong Kong's freedoms. But one thing it should be doing in the crucial weeks and months ahead is speaking out plainly in defense of Hong Kong's treaty-protected rights and standing behind the efforts of people like Mr. Lee who try to exercise them.

Beijing's leaders are particularly sensitive to high-level expressions of American concern over Hong Kong. That is why the president's words on Friday, and the language used by Secretary of State Madeleine Albright when she attends the handover ceremonies this summer, are especially important. Both should make clear that they see the question of Hong Kong's future freedoms not as an internal Chinese affair but as a test of China's intentions to honor its treaty commitments under international law.

—THE NEW YORK TIMES.

The Choice for Israelis

The prime minister of Israel, at a crucial moment in his country's quest for peace, now faces possible indictment and loss of office in a suddenly mushrooming domestic influence-peddling scandal. Such a turn, promising all kinds of political embarrassment and policy confusion, could only happen in a few other democracies. The resiliency of Israel's own democracy has long been established, and there is no reason to believe it will buckle under its current testing. Still, you have to respect the Israelis for being prepared to play out this earthquake sequence, regardless of where it leads.

It came about this way. Early on, Prime Minister Benjamin Netanyahu appointed as attorney general — in Israel, a career prosecutor's position — a nonentity whose alleged instruction was to fashion a favorable plea bargain for the head of the Shas Party, a Likud coalition partner, who had been accused of corruption. The unfortunate appointee left office in a matter of hours, but public tumult lingered and even expanded, and soon a besieged prime minister launched a police investigation. It is this investigation that now has produced fraud and breach-of-trust charges against Mr. Netanyahu, who vehemently denies them all. A decision on whether to indict him is expected shortly from the two civil servants — the attorney general, Elyakim Rubinstein, and the similarly nonpolitical state attorney, Edna Arbel — in whose hands this volatile matter rests.

This is, as many in Israel and elsewhere say, an internal matter. But it is an internal matter fraught with external consequences, and foreigners need make no apology for affording it the closest scrutiny. The chief interest it holds for most of these foreigners is bound to be whether or not it leaves Mr. Netanyahu in office. He has spent less than a year as prime minister and was hip-deep in controversy even before the current scandal arose. If he is formally charged with a crime, some of the parties supporting his coalition and even some members of his own Likud Party would be under heavy pressure to jump ship. Meanwhile, the very prospect of his indictment is enough to sour the opposition Labor Party's taste for forming a "national unity government" with Likud.

This scarcely exhausts the possibilities of a labyrinthine Israeli political system, and the prudent expectation must be that Mr. Netanyahu will somehow come through, as he insisted on Thursday he would. But whether or not he falters, Israelis cannot escape serious deliberation on their country's urgent policy concerns.

Voters do not have to guess, after all, about what his leadership means. They know from experience that it means a stalemate in peace talks with the Palestinians and an incipient crisis of confidence with the United States. The choice that lies before Israelis is whether to treat this state of affairs as a necessary and perhaps transient and reducible price to pay for hanging tough on territory and Jerusalem, or whether to consider other approaches to the twin Israeli goals of peace and security.

—THE WASHINGTON POST.

Other Comment

How Best to Punish Tehran

Iran, run by multifarious forces, with shadowy security services to the fore, has a huge underused capacity as troublemaker. The leadership is split between those who favor a Western link and those who believe their Islamic Republic would be better off without one. Hostile action by the West, unless carefully prepared for, would bring aid and comfort to the latter group. Armed action by America could strengthen Iran's men of violence.

Newt Gingrich has called for air strikes were the administration to conclude that Iran had a hand in the bombing of a military compound in Saudi Arabia that last year killed 19 Americans. This plausible theory has been taken a step further by a Washington Post report that a senior Iranian intelligence officer had contacts with a Saudi now held in Canada in connection with the bombing.

An armed response, were this proved true, would be understandable — America cannot let its servicemen be blown up with impunity. But a better first step would be economic punishments — provided they really bite, and are joined by Europeans and Americans alike.

— The Economist (London).

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A British Election Without a Vision for Britain

By William Pfaff

LONDON — Whichever of the parties wins the British national election on May 1, the question has to be asked, win for what? Win for the sake of winning is all that is discernible now; this is a campaign with few serious promises made, and without a vision.

Labour and the Liberal Democrats make proposals for constitutional change, devolution of power to Scottish and Welsh assemblies in Labour's case, a move toward proportional representation in voting should the Liberal Democrats do well enough, or Labour poorly enough, to force the latter to make concessions to the former in order to govern. But beyond that?

The Conservatives had seemed at the end of the line even before this election was called. They offer nothing much for the future other than more unwanted privatizations of public services in the name of Thatcherite ideology.

Some advisers call for totally privatized health and education, and an end to nearly all social allocations. But that has been heard before, and is more likely to prove an explanation for why the Tories lose on May 1, rather than for why they might win.

Labour makes the inoffensive claim that it will manage a Tory policy better than the Tories have done. Only the Liberal Democrats of Paddy Ashdown promise actually to spend money to improve education and the deteriorating health service, impudently declaring that to do that they would raise taxes.

All politics is supposed to be local, but I do not think this is true. People are moved by conceptions of national role and mission. What is Britain *for* today?

People believed they knew the answer to that in the past, and acted accordingly. The British Empire was created by traders, adventurers, people looking out for themselves, but also by missionaries, visionaries, men and women who believed that they were conveying civilization to the backward, creating institutions of a better international society, spreading truth and enlightenment.

From today's perspective the imperialists are held to have been arrogant and wrong. But such were their motives, and it was not that long ago that the British Empire was thought by many Americans to be a model of international responsibility.

At some leading East Coast preparatory schools, such as Groton before World War II, students were taught five years of English history and none of American history.

That was not simply a New England bias. In many American high schools of the time, including the Southern public high school that this writer attended in the 1940s, the study of England's history was given at least as much time and attention as American history, on the assumption that the latter was simply a continuation of the former.

Britain seemed to represent civilized political values, and in important respects to have done so since its suppression of the slave trade in the early 19th century. That was the belief of the World War II interventionists in America, headed by Franklin Roosevelt.

Today Britain seems no longer to have an international role, nor to want one. This cannot be the result of lost power; all the former imperial powers in Europe have suffered a relative power loss. There has been an apparent collapse of ambition in Britain.

The British could have taken the lead in Europe in the postwar decade, but had a plausible notion of a different destiny, at first of reconstituted empire or Commonwealth, then of Atlantic alliance or union. Neither came true.

Britain since has deliberately shed what was left of imperial responsibilities. Handing Hong Kong over to a Communist dictatorship, where its people will be deprived of political rights, is the final imperial act.

If the British do not want to be part of an integrated Europe, and clearly they do not, and if unlike the French and Spanish they have chosen to renounce the pursuit of international influence in or through their former empire, what national future do they see for themselves? What future role do Britain's leaders envisage for their country?

It is striking that virtually nothing is being said about Britain's place in anything other than Europe. The only international issue debated by the parties is how best to keep Britain free of Europe's political influence while exploiting Europe's markets.

This seems fundamentally sterile. Yet, paradoxically, it expresses a nationalism which could be very powerful if it found a positive outlet.

Not even the academics or political commentators have much to say about all this. Surely Britain's place in contemporary history, not to speak of the future, is worth thought?

What do the British want? The question has not been posed in this election.

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We Hear a Worrying Drumbeat of English Xenophobia

By Anthony Lewis

LONDON — Imagine the Conservative Party, historically a stabilizing force, turning to ultranationalism as its basic theme. Imagine it as a Little England party, defined by contempt for foreigners.

That is the possibility that could be seen in recent days — extraordinary days — of the British election campaign. What happened may have made a Labour victory on May 1 even more likely. But the impact on this election is not as important as the implications for a xenophobic future.

The issue that provoked all this was the one that has haunted British political life for nearly 50 years: Europe. More specifically, it was whether Britain should take part in the single European currency proposed by its partners in the European Union.

John Major has had a wait-and-see policy — or, as he prefers to say, a policy of taking part in the negotiations and then deciding whether the single currency would be good for Britain. But more and more Tory members of Parliament and even some ministers have been saying that joining should be absolutely ruled out.

The prime minister came to the daily campaign press conference on Wednesday and tore into his party critics. Speaking for 20 minutes without notes, he dazzled the reporters, usually a hard-bitten lot. Like me or loathe me, he said, but "do not bind my hands when I'm negotiating on behalf of the British nation."

If a single currency worked in Europe, he said, Britain could be economically damaged by staying out. "I have to answer to my conscience and my nation and history for what I actually decide to do."

It was as dramatic a moment as I remember in any recent election on either side of the Atlantic. Mr. Major is more popular than his party, and here he was trying to make his policy — his person, really — the election issue.

But the drama broke on a hard reality. Anti-Europeans in the party were not in the least moved by Mr. Major's démarche. After he spoke, more said they were unalterably opposed to taking part in a European currency. And Mr. Major did nothing to punish them or dismiss those with jobs in his government.

The disabling fact is that Mr. Major long ago lost his ability to discipline his party on European issues. He is widely regarded as a nice man. On this matter he has been too nice, allowing so much dissent that he does not have the authority that a party leader must have in a parliamentary system.

Voters have usually been wary of a party divided on a fundamental question. A left-right split hurt Labour for years. Mr. Major's words put Conservative division on display so starkly that analysts who had been predicting a Labour victory with a margin of 80 seats began talking of 100.

But the more profound point was the seemingly irresistible movement of the Conservative Party, which took Britain into the European Community in 1973, toward antagonism. Professor John Gray of Oxford, writing in The Guardian, said: "Europe has replaced Socialism as the enemy from which the Conservative Party now derives its identity."

Mr. Major himself played to the anti-European mood. A day after insisting that the option to join a single currency must remain open, he denounced "centralism, federalism, more decisions taken by the bureaucrats in Brussels."

Right-wing newspapers are filled with jabs at the European Union. A Daily Mail editorial said, "British courts are already subservient to an alien Continental jurisdiction." That is to say, in joining the Community Britain accepted its rules and the power of the European Court of Justice to apply them.

A poll by Mori, a leading survey firm, shows the British public evenly divided on whether to stay in the European Union: 40 percent for, 40 percent against, the rest don't know. The trend is negative.

There is one way for that trend to be reversed, for this country to be saved from the self-destructive isolation that xenophobia would bring. That is to have a prime minister who makes the argument for Europe and holds up a larger vision for Britain again.

It is clear now, given what has happened to his party, that John Major cannot do that. Whether Tony Blair and Labour can remains to be seen.

The New York Times.

The Essential Humanitarians Are Imperiled Professionals

By Stephen S. Rosenfeld

WASHINGTON — The "CNN effect," meaning that no one pays attention to an event until CNN starts running it live, has produced effusive self-congratulation among us media types.

In Somalia and elsewhere in the "complex humanitarian emergencies" — failed states — that dot the post-Cold War landscape, journalism has sought credit for bringing pictures of unspeakable suffering and thus precipitating a lifesaving official response.

Except that it's not really so, or not to anywhere near the point often claimed.

The television folks have their humanitarian moments but are much less pertinent to the timely alerting of the relief folks than are the ordinary bureaucracies of governments and nongovernmental organizations.

It was not television that headed off a massive southern African famine in late 1991 and early 1992, it was the professionals. In sub-Saharan Africa, the U.S. Agency for International Development runs a "Famine Early Warning System" assembling biophysical and social-economic information of a sort that no news organization could possibly match.

So if you want to be effective in providing care, don't just wait until the starving and dying have begun, and call in the cameras. Instead, work to save government relief budgets from funding cuts, and to empower the people in the business whose responsibility is to act early in order to prevent looming disasters from getting up a fatal momentum.

I borrow most of these considerations from "U.S. Foreign Policy and the Four Horsemen of the Apocalypse," an absorbing study published by the Center for Strategic and International Studies and written by Andrew S. Natsios. He ran disaster relief for the Bush administration in USAID and now works for the evangelical Protestant agency, World Vision U.S.

A former Republican pol from Massachusetts, Mr. Natsios is smart, incisive and not afraid to rattle the china.

Here is his view of the troubles that befell the Clinton administration's bright idea of a special bureau, labeled impenetrably as USAID's Office of Transition Initiatives, to go beyond disaster relief and "bring fast, direct and overt assistance to priority countries emerging from conflict":

"The USAID and State bureaucracies have tried to emasculate this badly needed innovation of USAID administrator J. Brian Atwood. The American Foreign Service Officers union strenuously opposed the concept as an invasion of State Department and regional USAID bureau turf, its original budget was significantly cut, its mandate was circumscribed ... "

You could consider Mr. Natsios not only, as I do, a good guide to the political and bureaucratic wars but also a participant. But he sounds to me very savvy as he traverses the elbowing (and cooperation) among the heavyweight official American and European relief offices, the weak and uncoordinated United Nations, the focused (on victims) Swiss-run International Committee of the Red Cross and the busy NGOs.

Generosity is important but, Mr. Natsios says, timeliness is everything:

"The longer the response is delayed, the more people die ... The absence of a USAID mission in a country inevitably reduces the force of embassy reporting on early warning indicators of complex emergencies. Budget cuts by Congress requiring the mass closing of USAID missions around the world will have a ... disastrous impact on both the early warning and emergency response capacity of the international system ...

"Embassies generally do not ignore warning signs, particularly since the Ethiopian famine of 1984-1985, which resulted in a million deaths and caused a political explosion in Washington. Ignoring famine can be unhealthy for a diplomat's career.

"Beyond career considerations, ambassadors specifically and Americans generally are intellectually unaccustomed and emotionally unprepared for the apocalyptic scenes of starvation that accompany famine."

Unprepared for the apocalypse — few people thought that apocalypse was what we had to prepare for when the discipline of the Cold War yielded to the disorder of the new day.

But that is how we come to be considering the news play given to humanitarian disasters, and the work of organized societies in actually dealing with them.

The Washington Post.

Brilliant, Young and Gracious

By Charles Krauthammer

WASHINGTON — Why is everybody in America pulling for Tiger Woods? There are dozens of other great sportsmen in the country, and golf is generally not a sport that quickens America's pulse.

Yes, he's young, 21. But we have had 17-year-old tennis champions (Becker, Chang, Seles, Graf). We have gymnastics champions barely out of infancy.

Of course, there is race. An African- and Asian-American Masters champion is as rare as April snow in Augusta.

Excellence, youth and ethnicity account for much of the Tiger Woods mania. But all that is not quite enough to explain the remarkable wave of adulation. What then?

Mr. Woods is more than just good, young, black and Asian. He is gracious.

In an age of the commercially hyped, trash-talking, in-your-face sports star, here is someone who combines great athleticism with decency and respectfulness, poise and manners and simple soft-spoken politeness.

He has not just the old-fashioned virtues of respect for his parents, his elders, his competitors. He has a deep respect for the difficulty of his own craft. He knows its history. He speaks with genuine gratitude of his debt to the black golfers who preceded him.

What so impresses about Mr. Woods is that, for all of his greatness, he is so situated, so anchored in the history and mystery of his game.

This is not exactly humility. One does not expect humility from someone who drives 350 yards with accuracy and wins the Masters with an all-time record score. But his pride in his game does not extend to the braggart denigration of the competition and the naked promotion of self over sport that you find in so many young stars today.

This, after all, is the age of the athlete with attitude. Total self-regard and self-promotion are hip. Andre Agassi and Deion Sanders have mastered this very lucrative pose of chest-beating, almost parodic individualism. Dennis Rodman has taken it to its logical grinning conclusion with his groin-kicking, body-piercing, barely literate anarchism.

The bad boys, by the way, did not start, as is often assumed, with young black basketballers. They began with young white tennis players like Jimmy Connors and, especially, John McEnroe.

Mr. Rodman's pose has taken him far beyond basketball. Just two weeks before Mr. Woods's miraculous Masters, we reached a kind apogee of Rodmanism: his elevation to movie star — the highest rung in our hierarchy of celebrity — with the release of "Double Team," an action flick in which he co-stars with Jean-Claude Van Damme.

Mercifully, the film tanked. Meanwhile, Mr. Woods's final-round Masters performance, despite being devoid of any competition, earned the highest ratings in golf history.

Why? Americans are simply overcome with relief to find, rising out of this swamp of bad-boy athletes, a mensch like Woods.

A paragon in sports is easy to define: Someone you would be pleased to have your child emulate. One of the main reasons baseball is dying is that, with the exception of Cal Ripken and but a handful of others, the best players are repulsive louts. Who can possibly care about the fortunes of a sport populated by growling freebooters with contempt not just for their followers but for their game?

Enter Tiger. It is not that we tuned in to see possibly the best golfer ever, although seeing any craft executed so brilliantly is beautiful and satisfying. More than anything we tuned in to see a good man excel. A gentleman athlete.

Washington Post Writers Group.

LETTER

Editor Is Editor

Your front-page headline *(April 18)* "New Hong Kong Editor: He Edits What, Exactly?" might lead readers to conclude that the consultant who is the subject of the story is becoming editor, or an editor, of The South China Morning Post. He is not. He is joining the paper as a consultant. I am the editor. End of story.

JONATHAN FENBY.
Hong Kong.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: War Declared

CONSTANTINOPLE — In consequence of the invasion by Greek troops of Macedonia and Epirus at five different points and the attack upon the Port Santa Quaranta opposite Corfu, the Ottoman Government declared war last night [April 18]. Derwich Pasha immediately notified the declaration of war to the Ambassadors. The Turks crossed the frontier at daybreak. The greater part of the Greek population in Constantinople have placed themselves under French protection, the rest under American.

1922: 'Genoa Wallet'

PARIS — The Genoa Conference has inspired the latest Parisian novelty in the form of a wallet packed to overflowing with various European bank notes. For 25fr. the purchaser may feel all the sensations of real wealth, the wallet containing a hundred German marks, a thousand Polish marks, a thousand Austrian crowns and one hundred thousand mixed roubles, the pre-war value of the entire sum being about $55,000. The innovation is called the "Genoa pocketbook," and is finding plenty of speculators.

1947: Tiso Executed

PRAGUE — Reaction to the execution of Father Jozef Tiso in Bratislava ranged from satisfaction to dismay, but no disturbances were reported among the followers of the parish priest who rose to political power preaching autonomy for Slovak regions. Czech and Slovak authorities were prepared to prevent any incident, which might take the form of anti-Semitic excesses. Tiso's trial emphasized anti-Semitism as a characteristic of his followers among the outlawed Hlinka Guard.

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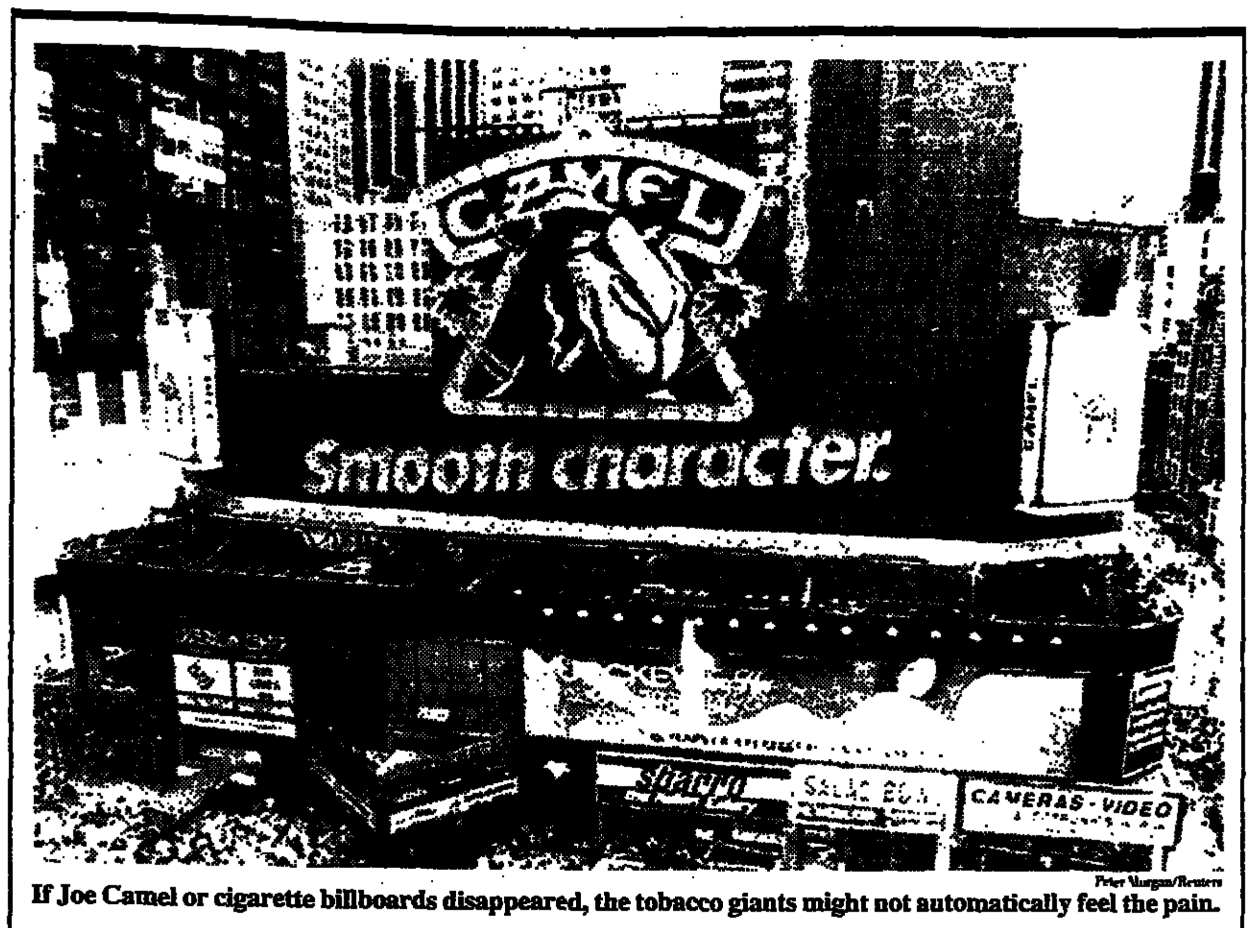

Peter Morgan/Reuters

If Joe Camel or cigarette billboards disappeared, the tobacco giants might not automatically feel the pain.

Cigarette Ad Ban? No Problem

Experts Predict a Shift to New Marketing Tactics

By Dana Canedy
New York Times Service

NEW YORK — If wide-ranging bans on cigarette advertising are eventually enacted as part of a deal with tobacco companies, it will by no means be the end of cigarette marketing, advertising and tobacco industry experts say. Instead, they predict, consumers will simply be confronted with a whole new set of marketing initiatives.

Cigarette makers might flex their creative muscles by, say, sponsoring more apparel featuring cigarette-brand labels or paying millions to sports stars to puff away during tournaments.

"You could have some promotion where you can win a million dollars for finding the cigarette pack that has the picture of Bill Clinton on the bottom or something like that," said Emanuel Goldman, an analyst with PaineWebber in San Francisco who follows the tobacco industry.

Philip Morris Cos. and RJR Nabisco Holdings Corp. are reportedly discussing a settlement with the government that would protect them from liability suits in exchange for their consent to a sharp curb on advertising.

The possible restrictions are said to include bans on billboard advertising, sponsorship of sporting events and the use of human and cartoon figures in promotions, as well as a limit on vending-machine sales.

Not that this would automatically hurt the tobacco giants. The bans, experts say, would have little impact on the big cigarette makers but would be a hardship for smaller companies trying out new products and ad agencies and sporting events organizers that depend on tobacco contracts.

"It would have an adverse effect on competition but not on consumption," John Maxwell Jr., a tobacco analyst with Wheat First Butcher Singer, said. "There is a ban on radio and television and life has continued, so taking down billboards is not a big deal, and taking out vending machines is a nonevent."

Mr. Goldman pointed out that of the estimated $457 million spent on advertising last year by the top cigarette makers, only a third was for billboards. Vending machines, he said, account for only about 3 percent of sales.

As for doing away with human characters and cartoons, there are serious doubts that this could happen. "That is a deal breaker," he said. "No matter how good the financial agreement is, there is no chance in the world Philip Morris would agree to do away with the Marlboro Man."

If characters and cartoons were banned, though, the experts are split on the impact it would have.

"If voluntarily the industry were to say, 'We will not use cartoons or human figures,' they will find other ways to create advertising messages that will be unique and different and stand apart from each other," Hal Shoup, executive vice president of the American Association of Advertising Agencies, said.

Mr. Shoup noted, though, that well-known personalities and popular cartoon characters are used to promote everything from insurance to hotels, none of which has anything to do with marketing to children, and that their voluntary ban by liquor makers has not hurt that industry.

Other experts, though, say that abolishing characters so strongly identified with smoking could have an impact.

Eliminating sports sponsorship, like promotions at auto racing events, could hurt the industry at least a little by eliminating one avenue it uses to create brand loyalty, Mr. Goldman said.

Collectively, though, the proposed marketing bans would simply mean more spending on magazine advertising, more product giveaways and an increase in movie stars lighting up on screen, the experts predict.

Red Faces Over a Ton of Red Ink

$1.2 Billion Error Crept Into U.S. Trade Statistics

The Associated Press

WASHINGTON — Cheer up, America. The trade deficit is bad, but it is not that bad.

Red-faced, one of the government's chief bean-counters announced late Thursday a rather monumental blunder.

The trade deficit for February was actually $1.2 billion smaller than had been reported eight hours earlier. Instead of a deficit of $11.6 billion, the deficit was $10.4 billion, down 18 percent from $12.7 billion in January.

"The error is large and it is unprecedented," said Undersecretary of Commerce Everett Ehrlich.

He blamed the mistake on a classic case of the left hand of government not knowing what the right hand was doing.

Ironically, it was a Customs Service effort to improve the accuracy of the data that resulted in the big mistake.

Customs, which collects the raw data on trade flows — gathered at hundreds of ports, airports and border checkpoints — had ordered its agents to make a special effort to track down overlooked shipping data on crude oil imports from previous months.

This was in response to a growing and unexplained discrepancy between the government's oil import data and information collected by the American Petroleum Institute.

The only problem, Mr. Ehrlich said, was that the Customs Service forgot to alert tabulators at the Census Bureau, the Commerce Department agency which prepares the monthly reports, that they would be getting oil import data for months before February.

The data-punchers entered all the oil import information as if the crude had come into the country in February — resulting in an overstatement of oil imports of $1.2 billion.

"We were surprised by what Customs had done," Mr. Ehrlich said. "Had we known that the old declarations would be mixed in with the current month's reports, the error would not have occurred."

Private economists said they began calling the Census Bureau to raise questions about the trade report within an hour after its 8:30 A.M. release.

Officials at the Census Bureau said that even before the first calls came in they had begun making their own checks when statisticians preparing a more detailed item-by-item report started noticing problems.

Census officials said they delayed announcing the error for eight hours because it took that long to determine the size of the mistake.

"The government is lucky that trade isn't a big market mover right now, given the size of this error," said Michael Penzer, an economist at Bank of America in San Francisco.

The trade mix-up comes at a time when a number of government statistics have been criticized by private economists.

An advisory commission of prominent economists said in December that the Consumer Price Index was overstating inflation by 1.1 percentage points a year. More recently, the National Association of Business Economists called for consolidating the government's far-flung statistical gathering operations into one agency to improve the accuracy of the data.

Lynn Reaser, economist at Barnett Banks, said the mix-up underscored the concerns being raised about the quality of government data.

"This shows the need to ensure the quality of these numbers, especially at a time when financial markets have a tendency to overreact," she said.

EMU Concerns Give a Lift to the Mark

Compiled by Our Staff From Dispatches

NEW YORK — The Deutsche mark rose against other European currencies and the dollar on Friday amid fresh doubts about monetary union and signs of political instability in France.

"There's been a resurgence of the Deutsche mark, driven by turbulence in Europe," said Vicki Schmelzer Alicea, a corporate currency sales representative at Westdeutsche Landesbank Girozentrale.

Tim Fox, an economist at Standard Chartered, said: "European concerns are driving the currency markets. There is a lot of concern about Italy getting behind on the single-currency timetable, and this is helping the mark," he said. "People are also worried about the threat of an election in France."

Weakness in the yen, meanwhile, came despite remarks from a top Japanese Ministry of Finance official who suggested interest rates there might rise over the next year, traders said.

In 4 P.M. trading, the dollar was quoted at 1.7118 Deutsche marks, down from 1.7288 DM. But it was at 125.885 yen, up from 125.775 yen.

The dollar was also at 1.4560 Swiss francs, down from 1.4720 francs, and at 5.7668 French francs, down from 5.8120 francs. The pound was at $1.6330, up from $1.6248.

Traders bought marks for French francs after reports that President Jacques Chirac would dissolve Parliament by Thursday and call for new elections.

Traders speculated such a move could erode the support in Parliament for budget-cutting measures aimed at bringing the deficit in line with the requirements for Europe's single currency, the euro.

The mark also jumped against the lira on a report that France had withdrawn its support for Italy's drive to become a charter member of European economic and monetary union, traders said.

A report from Market News service quoted unnamed officials in Germany's ruling Christian Democratic Union as saying Mr. Chirac had told Chancellor Helmut Kohl of Germany that France had

See DOLLAR, Page 12

ECONOMIC SCENE

Should U.S. Fret About Trade Deficit?

By Peter Passell
New York Times Service

NEW YORK — It's 1985 all over again. America's trade deficit is ballooning, thanks mostly to the huge imbalance with Asia. Only this time the "culprit" is China rather than Japan. And even Newt Gingrich, a stalwart free-trader, is warning the Chinese to shape up or sell their teddy bears and running shoes somewhere else.

Is this deficit worth worrying about? Well, yes, no and maybe.

Yes, because it reflects relatively low U.S. savings rates in a rich nation with an aging population that makes it necessary to borrow huge amounts of capital from abroad.

But no, few economists are losing sleep over last year's near-record $165 billion deficit on the most comprehensive measure of international financial exchange, the current account. Indeed, in some ways, it is a sign of success.

Robert Lawrence of the Kennedy School of Government at Harvard University notes that the doubling of the deficit since 1992 has been driven by a steady economic advance in America — and stagnation in Japan and Europe.

The deficit also gives American business a political weapon to beat back foreign competition.

Even the record $39 billion deficit with China amounts to less than meets the eye. In part, it follows from Beijing's desire to amass foreign currency reserves on the eve of the takeover of Hong Kong.

More important, suggests Nicholas Lardy of the Brookings Institution, it comes when China is inheriting export markets from the more productive, higher-wage economies of Taiwan, Hong Kong, South Korea and Singapore.

"Taken as a group," he said, "China and the four tigers had a smaller share of world exports in key labor-intensive industries in 1994 than they did in 1984."

To most people, trade deficits mean jobs lost to peasants willing to work for a bowl of rice a day. But to economists, jobs are just not part of the trade equation: the Federal Reserve largely determines employment.

Indeed, the Fed has just nudged interest rates higher, serving notice that it wants to restrain further reductions in joblessness, no matter how successful exporters are, out of fear that excessively tight labor markets will lead to higher inflation.

For better or worse, the current account deficit is simply the other side of an immutable accounting identity — the difference between domestic investment and savings.

Countries like Japan that save more than they invest automatically run surpluses. The black ink shows up as added holdings of foreign securities and property. Chronic deficit economies, like America, are in effect selling assets to finance foreign purchases.

Deficits are bad if individuals are consuming the proceeds of the asset sales when they ought to be worrying about how they will get by when they retire. But it is good news when it reflects a surfeit of investment opportunities.

By this reckoning, the United States rates a B-minus. Private savings are low, but Washington has taken decisive action to curb the government's dissavings by reducing the budget deficit.

Note, too, that the current account deficit shrank from a peak of 3.6 percent of national output in 1987 to 2.1 percent in 1996. It will probably fall much further when Japanese and European policymakers crank up growth and foreigners stop throwing money at American financial markets.

"Nobody worries these days that the American current account deficit is unsustainable," Mr. Lawrence said.

But what about China? Economists have never shared the popular fear of bilateral imbalances. Robert Solow, the Nobel economist, is fond of explaining that he has been running deficits with his barber for 40 years straight, buying haircuts for cash and never selling him a single economics lesson.

By the same token, global trading patterns driven by fundamental economic realities — wages, resources, product demand — virtually guarantee that the United States will run a big trade deficit with Asia for the foreseeable future. Mr. Lardy predicts that retaliation against Chinese import restrictions — or human rights abuses — would merely reshuffle U.S. deficits with individual Asian countries rather than changing the overall imbalance.

AirTouch to Buy Wireless Business

Acquisition of U S West Unit Will Raise Company's Global Status

Compiled by Our Staff From Dispatches

ENGLEWOOD, Colorado — AirTouch Communications Inc. said Friday it would buy U S West Media Group's U.S. wireless unit for $5 billion in stock and assumed debt, a step that strengthens AirTouch's position as one of the fastest-growing wireless phone companies in the world.

The acquisition gives AirTouch 1.9 million more customers, 34 million potential customers and $300 million in annual cash flow. It would make it the second-biggest U.S. wireless company, after AT&T Corp.

"It's a continuation of AirTouch's belief that wireless will replace wire," said Jeffrey Hines, an analyst at Natwest Securities.

AirTouch shares rose $1 to close at $24.50, while U S West's stock rose was up 37.50 cents to $17.625.

AirTouch will take over U S West Media Group's NewVector wireless phone business and its interest in PrimeCo Personal Communications, a wireless joint venture owned by Bell Atlantic Corp., Nynex Corp., U S West and AirTouch. PrimeCo provides wireless voice and data services.

The deal does not include U S West's overseas wireless operations.

U S West, based in Englewood, is one of the regional phone companies formed when AT&T Corp. was broken up in 1984. AirTouch was spun off from Pacific Telesis Group, another regional phone company, in 1994.

The agreement calls for AirTouch to issue 93.3 million shares to U S West Media Group shareholders if AirTouch stock is trading at $30 or lower. In addition, AirTouch will assume $2.2 billion of U S West's debt.

But the companies said that they would pursue the transaction only if Congress preserves federal rules that make it tax-free.

A hurdle to the transaction could be legislation introduced in Congress on Thursday related to "Morris Trust" transactions, which attempt to close loopholes used by corporations to avoid paying taxes.

In such transactions, a company can split off part of its operations, then arrange for a "merger" of either the parent or the spun-off unit with the corporation that purchased it. Those transactions are tax-free under a court ruling. In the event the legislation introduced Thursday passes in its current form and the sale falls through, U S West and AirTouch said they would continue with their existing joint venture agreement. *(AP, Bloomberg)*

■ Qwest Plans to File for IPO

Qwest Communications International Inc., a telecommunications company led by a former AT&T Corp. executive, Joseph Nacchio, plans to sell stock in a first-time offering that could raise as much as $287.5 million, Bloomberg News reported from Washington.

The Denver, Colorado-based company filed Friday with the Securities and Exchange Commission for the stock sale, although it did not disclose how many shares were to be sold or provide a proposed share price.

Qwest is expanding a fiber-optic long-distance telecommunications network and has not yet been profitable.

CURRENCY & INTEREST RATES

Cross Rates

April 18

	$	£	D.M.	F.F.	Lira	D.Fl.	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.9785	3.146	1.1243	0.3337	0.1130*	—	5.4485*	1.3511	1.5317*	1.379	1.332*
Brussels	35.5075	57.9825	20.6319	6.12	2.0903*	18.3605	—	24.2525	0.2841	25.48	24.475*
Frankfurt	1.7177	2.8024	—	0.2968	0.1013*	0.8898	4.8475*	1.1754	1.3647*	1.2246	1.1847*
London (a)	1.6313	—	2.7997	9.4289	2,765.85	3.1472	57.7481	2.3836	205.580	2.2812	235.9676
Madrid	144.956	236.539	84.424	25.058	8.55*	75.103	4.0922	99.224	115.118*	105.408	—
Milan	1,695.30	2,768.45	987.86	292.89	—	878.10	47.829	1,159.90	13.472	1,208.85	11.686
New York (b)	—	1.6330a	1.7118	5.7668	1,692.00	1.9245	35.23	1.456	125.885	1.3998	144.865
Paris	5.7849	9.44	3.3692	—	0.3412*	2.9972	0.1639	2.9598	4.5941*	4.13	3.992*
Tokyo	126.05	205.88	73.12	21.72	0.743	65.86	3.5467	86.13	—	90.06	0.8664
Toronto	1.3999	2.2866	0.8178	0.2427	0.0827*	0.7274	0.3963*	0.9604	1.1132*	—	0.969*
Zurich	1.4589	2.378	0.8508	0.2555	0.0862*	0.7569	4.1734*	—	1.1597*	1.0421	1.0086*
1 ECU	1.1418	0.6997	1.9604	6.605	1,935.68	2.2057	40.4442	1.668	143.771	1.5993	165.465
1 SDR	1.3497	0.8396	2.3527	7.9233	2,322.82	2.6406	48.5862	2.0008	172.509	1.9184	198.49

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York and Toronto rates at 4p.m.
*a: To buy one pound; b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9998	Greek drac.	270.73	Mex. peso	7.868	S. Afr. rand	4.4535
Australian $	1.292	Hong Kong $	7.7488	N. Zealand $	1.4468	S. Kor. won	894.10
Austrian sch.	12.08	Hung. forint	181.21	Norw. krone	7.0828	Swed. krona	7.6543
Brazil real	1.0611	Indian rupee	35.70	Phil. peso	26.35	Taiwan $	27.63
Chinese yuan	8.3251	Indo. rupiah	2412.63	Polish zloty	3.14	Thai baht	26.07
Czech koruna	30.08	Irish £	0.6459	Port. escudo	172.67	Turkish lira	132250.
Danish krone	6.567	Israeli shek.	3.406	Russ ruble	5742.0	UAE dirham	3.6705
Egypt. pound	3.3934	Kuw. dinar	0.3017	Saudi riyal	3.75	Venez. boliv.	478.50
Fin. markka	5.1785	Malay. ring.	2.513	Sing. $	1.4405		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6315	1.6307	1.6299	Japanese yen	125.41	124.80	124.28
Canadian dollar	1.3972	1.3943	1.3919	Swiss franc	1.4555	1.4505	1.4459
Deutsche mark	1.7133	1.7094	1.7057				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo).

Libid-Libor Rates

April 18

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 1/2 - 5 5/8	3 - 3 1/8	1 9/16 - 1 11/16	5 15/16 - 6 1/16	3 1/4 - 3 3/8	7/16 - 9/16	4 - 4 1/8
3-month	5 11/16 - 5 3/4	2 15/16 - 3 1/16	1 9/16 - 1 11/16	6 3/16 - 6 5/16	3 1/4 - 3 3/8	7/16 - 9/16	4 - 4 1/8
6-month	5 7/8 - 5 15/16	3 1/8 - 3 1/4	1 7/8 - 2	6 1/2 - 6 5/8	3 5/16 - 3 7/16	1/2 - 5/8	4 1/16 - 4 3/16
1-year	6 1/16 - 6 1/4	3 1/4 - 3 1/2	1 15/16 - 2 1/16	6 15/16 - 7 1/16	3 7/16 - 3 1/2	5/8 - 3/4	4 3/8 - 4 1/2

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 9/16	5 7/16
90-day CDs dealers	5.70	5.73
180-day CP dealers	5.68	5.70
3 month Treasury bill	5.15	5.15
1-year Treasury bill	5.59	5.61
2-year Treasury bill	6.38	6.40
5-year Treasury note	6.71	6.73
7-year Treasury note	6.76	6.78
10-year Treasury note	6.83	6.84
30-year Treasury bond	7.06	7.08
Merrill Lynch 30-day RA	4.96	4.92
Japan		
Discount rate	0.50	0.50
Call money	0.45	0.38
1-month interbank	0.56	0.56
3-month interbank	0.59	0.59
6-month interbank	0.63	0.63
10-year Gov't bond	2.23	2.27
Germany		
Lombard rate	4.50	4.50
Call money	3.10	3.12
1-month interbank	3.25	3.25
3-month interbank	3.27	3.27
6-month interbank	3.28	3.28
10-year Bond	5.80	5.83

Britain		
Bank base rate	6.00	6.00
Call money	5 9/16	5 15/16
1-month interbank	6 1/16	6 1/16
3-month interbank	6 3/16	6 3/16
6-month interbank	6 5/16	6 5/16
10-year Gilt	7.51	7.49
France		
Intervention rate	3.10	3.10
Call money	3 3/8	3 5/16
1-month interbank	3 5/16	3 1/4
3-month interbank	3 1/4	3 5/16
6-month interbank	3 1/2	3 7/16
10-year OAT	5.76	5.74

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	341.90	342.25	+1.50
London	342.00	342.10	+1.70
New York	344.40	343.40	—0.90

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (June.)
Source: Reuters.

MONTEREY TRUST
Société d Investissement à Capital Variable
Registered office: 50, Avenue J.F Kennedy, L-1855 Luxembourg
Commercial Register: Section B 7553

NOTICE TO
THE ANNUAL GENERAL MEETING OF SHAREHOLDERS

The Annual General Meeting of shareholders of Monterey Trust, SICAV will be held at its registered office in Luxembourg, 50, Avenue J.F. Kennedy, on 29 April 1997 at 3.00 p.m. for the purpose of considering and voting upon the following matters:

Agenda
1. Presentation of the management report of the Directors and the report of the Auditor.
2. To approve the statement of net assets and the statement of changes in net assets for the year ended 31st December 1996.
3. To discharge the Directors with respect of their performance of duties during the year ended 31st December 1996.
4. To elect the Directors and the Auditor to serve until the next Annual General Meeting of shareholders.
5. Any other business.

The shareholders are advised that no quorum for the statutory general meeting is required and that decisions will be taken by the majority of the shares present or represented at the meeting.

In order to take part at the statutory meeting of 29 April 1997, the owners of bearer shares will have to deposit their shares five clear days before the meeting at the offices of BANQUE GENERALE DU LUXEMBOURG S.A., Luxembourg.

The Board of Directors

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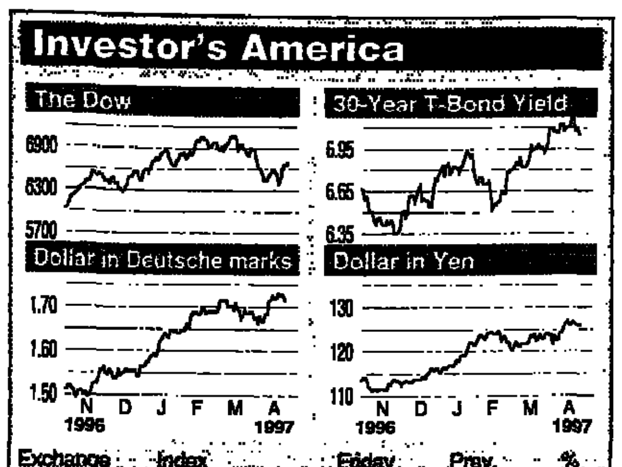
Herald INTERNATIONAL Tribune
THE WORLD'S DAILY NEWSPAPER

Investor's America



Exchange	Index	Friday @4PM	Prev. Close	% Change
NYSE	The Dow	6703.55	6658.60	+0.68
NYSE	S&P 500	766.34	761.78	+0.60
NYSE	S&P 100	746.85	742.21	+0.63
NYSE	Composite	402.64	400.65	+0.50
U.S.	Nasdaq Composite	1222.57	1217.07	+0.45
AMEX	Market Value	556.01	555.52	+0.09
Toronto	TSE Index	5826.30	5819.20	+0.12
São Paulo	Bovespa	9422.20	9418.63	+0.04
Mexico City	Bolsa	3784.77	3796.31	-0.30
Buenos Aires	Merval	703.24	709.02	-0.82
Santiago	IPSA General	5368.86	5354.50	+0.27
Caracas	Capital General	6313.87	6301.51	+0.20

Source: Bloomberg, Reuters International Herald Tribune

Very briefly:

Dow Jones Attacks Libel Award

HOUSTON (AP) — The publisher of The Wall Street Journal has asked a judge to throw out a record $222.7 million libel award, arguing that a securities firm never proved that a 1993 article ruined its business.

MMAR Group Inc. routinely recorded clients' phone calls but could not produce one conversation that showed it lost a client because of the article, David Donaldson, an attorney for Dow Jones & Co., said Thursday. A jury found March 20 that five sentences in an article were false and defamatory.

Advanta Ends Credit Card Bonus

WASHINGTON (Reuters) — Advanta Corp. has agreed to stop its "Rewards Accelerator" program, settling legal disputes with MasterCard International and Visa U.S.A.

The two credit card companies had sued Advanta to stop the program, which gave user points on American Express Co.'s membership rewards program for purchases made with Visa or MasterCard. Advanta said Thursday that all suits surrounding the issue had been dropped.

• **Sony Corp. of America** has named Howard Stringer, the former president of CBS Inc.'s broadcast group and CBS News, as president as of May 5.

• **Hershey Foods Corp.'s** first-quarter net profit rose 16 percent from a year go, to $68.9 million, as higher sales of new candies helped raise revenue 7 percent, to $1 billion.

• **Viacom Inc.** plans to buy an additional 5 percent of the shares outstanding of **Spelling Entertainment Group Inc.** by the end of the year, bringing to 80 percent its ownership of the producer of such television shows as "Melrose Place."

• **The New York Stock Exchange** will have trading for 16 to 20 hours a day eventually, Chairman Richard Grasso said, to accommodate an expected increase in listed foreign companies.

Bloomberg, Reuters

Bankers Trust's New Sheriff

CEO Cleans House and Gambles on Investment Banking

By Saul Hansell
New York Times Service

NEW YORK — When Frank Newman took over Bankers Trust early last year, nobody was surprised that he acted like a sheriff in a Wild West town. He had to restore order after some of the boys were caught cheating in derivatives trading. And he tamed the cowboy culture fostered by his predecessor, Charles Sanford Jr.

Then came the hard part. To prevent Bankers Trust New York Corp. from declining into the equivalent of a ghost town, Mr. Newman had to find ways to make more money. He quickly decided that the way to go was investment banking, a business built on the notion of long-lasting relationships. Yet that field was more crowded and less lucrative than Mr. Sanford's mainstays — trading and orchestrating high-margin deals for customers. Not only that, Bankers Trust lagged far behind its big Wall Street competitors.

But Mr. Newman has surprised just about everybody. During a year of consolidation in which many Wall Street firms have identified themselves either as predators or prey, he made two trailblazing acquisitions that have positioned Bankers Trust as a full-service investment bank for medium-sized companies.

"As I talked with people inside the bank and with clients," Mr. Newman said last week, he discovered that "we had done a tremendous transformation from a fairly traditional commercial bank to more of an investment bank, but we did not have breadth and strength in two areas: merger and acquisition advisory work and equity underwriting."

So, last summer, just six months after Mr. Newman was named chief executive, Bankers Trust bought Wolfensohn & Co., a small merger boutique, for $200 million. The takeover expanded the bank's merger-advisory ability and, perhaps more important, brought Paul Volcker, the former Federal Reserve chairman who was the chairman of Wolfensohn, onto the board of Bankers Trust. It was a much-needed infusion of integrity for a company rocked by a derivatives scandal that had saddled it with expensive lawsuits and government sanctions.

In two recent trailblazing acquisitions, Mr. Newman did the negotiating himself.

Then last week came Mr. Newman's big coup: the purchase of Alex. Brown & Co. for $1.7 billion in stock. The acquisition added the stock-trading and underwriting prowess of America's oldest securities firm to Bankers Trust's huge bond and loan businesses.

Both deals were all the more impressive because Mr. Newman did the negotiating himself, without help from investment bankers.

Moreover, he snapped up his prizes after both had proclaimed that they were unavailable.

"We were not for sale per se," said Jeffery Goldstein, Wolfensohn's vice chairman. "We made as significant a decision as we could make, and we did it in large part on Frank Newman."

To be sure, Mr. Newman has yet to prove that he can merge the three companies into a synergistic whole. While Bankers Trust is already as much a broker as a bank, Mr. Newman has never worked as a trader or an investment banker.

And Mr. Newman may have hopped on the roller coaster just before the big dip. Alex. Brown said Thursday that its profits in the first quarter were down 26 percent, to $75 million, because of lower underwriting and merger business.

For its part, Bankers Trust said Thursday that its profits were up nearly 25 percent for the quarter, to $169 million. The company's profitability, measured by return on equity, increased to 14.3 percent, from 11.9 percent, but is still far below its levels of a couple of years ago.

Microsoft Earnings Recharge Wall Street

Compiled by Our Staff From Dispatches

NEW YORK — Stocks rose Friday as unexpectedly strong earnings from Microsoft convinced investors that shares in America's biggest companies were good bets.

"Companies are delivering,' said Philip Schettewi, a money manager at Loomis, Sayles & Co. "There are no huge disappointments. Corporations are generating the earnings, and you need higher earnings to drive stock prices higher."

The 30-stock Dow Jones industrial average closed 44.96 points higher at 6,703.55.

The Standard & Poor's 500 Index gained 4.57 points to 766.34. The Nasdaq composite index gained 5.49 points to 1,222.56.

The benchmark 30-year Treasury bond was priced at 94 23/32, up 6/32, taking the yield down to 7.05 percent from 7.10 percent.

Microsoft, the world's largest independent software company, rose 9½ to an all-time high of 107⅝ and was the most-active stock.

"Even though Microsoft said that its earnings can't stay this good, the market is ignoring that and buying it," said Alfred E. Goldman, vice president at A.G. Edwards & Sons Inc. in St. Louis.

Microsoft said after the close of trading Thursday that third-quarter net income grew a greater-than-expected 85 percent to $1.04 billion, from $562 million in the comparable period a year earlier. The software maker said revenue rose 45 percent to $3.21 billion. Sales were strong across the board, it said, and the updated Office 97, Windows NT and Windows 95 software were standouts.

"Microsoft is a bellwether technology company," said Greg Place, senior listed trader at Rodman & Renshaw Inc. "You have investors who look at Microsoft, Intel and IBM in the same vein. These earnings say the turnaround in technology is complete."

Despite the bullish news from Microsoft, many computer-related shares declined.

Intel fell ⅞ to 137⅛.

EMC, a maker of information storage products, slid after reporting first-quarter profit that only matched analyst expectations.

Silicon Graphics shares fell 4⅛ to 12⅞ after the company announced earnings below expectations and said it was still suffering from the transition to new computer workstations.

Silicon Graphics said late Thursday that third-quarter net income fell to $10.5 million from $53 million. Excluding costs for the $740 million purchase of Cray Research, profit from operations in the quarter ended March 31 amounted to 9 cents a share, the company said. Revenue rose 34 percent to $909 million, held back by the strong dollar, which reduced the value of overseas sales, and the transition to

U.S. STOCKS

a new series of computer workstations, the company said.

Remedy fell on concern that other help-desk software companies could encounter the same drop in sales that hurt Clarify. Clarify fell 58 percent Wednesday, after saying it would show little or no sales growth in revenue in the second quarter from the first.

Black & Decker gained even though it said first-quarter earnings had fallen by 24 percent on lower sales of its SnakeLight flexible flashlights.

The world's largest power-tool maker said net income fell to $26.3 million from $34.6 million before a gain and a charge in the year-earlier period.

Revenue fell 4.7 percent, to $1.02 billion, from $1.07 billion, in part because of the rising dollar.

In the year-ago quarter, a gain of $70.4 million, or 79 cents a share, for the sale of PRC Inc. and a restructuring charge of $67 million, or 75 cents a share, related to its European businesses, made net income $38 million, or 39 cents a share.

Reebok International shares tumbled after the athletic shoe maker's earnings declined 17 percent as expenses climbed and the strong dollar ate into revenue.

Shares of Reebok and other athletic shoe and clothing makers also dropped on worries that sales growth is easing at U.S. specialty stores such as Foot Locker and Footaction, analysts said. Rival Nike Inc. also slid.

Hershey Foods rose 1 to 52½ after the consumer foods maker said it earned 45 cents a share in the first quarter, up from 38 cents in the year-ago period.

Desktop Data Inc. shares fell after the real-time news and information service said it expected revenue to rise 23 percent to 25 percent this year. Revenue at the company rose 46 percent in 1996. The company said first-quarter net income was 10 cents a share, unchanged from a year ago. *(Bloomberg, AP)*

DOLLAR: *Single Currency Concerns Give the Mark a Lift*

Continued from Page 11

withdrawn its support for Italy to become a founding member of EMU.

But a spokesman for Mr. Chirac denied there was an attempt to keep Italy out of EMU.

Still, the mark held its gains as "people tend to feel there is an unwritten agenda," Mr. Fox said.

The mark typically benefits from expectations that it will be replaced by the single European currency, which traders speculate could be less stable and weaker than the mark.

Meanwhile, amid persistent talk of French budget worries and a possible snap election, Finance Minister Jean Arthuis said Friday he was confident that France would make the grade this year to join a European single currency.

The dollar recouped gains against the yen even though a top Japanese finance official, Eisuke Sakakibara, said that currencies did not conform with economic reality. He sounded a warning that Japan's era of record-low interest rates may be drawing to a close.

Mr. Sakakibara, one of the world's most closely watched policy-makers, also put markets on

FOREIGN EXCHANGE

notice that they could face a burst of intervention to prop up the yen if Japanese authorities judge it has fallen too far.

The man dubbed "Mr. Yen" for his power over financial markets, said that it would be dangerous to assume that Japanese interest rates would be clinging to their record-low levels over the coming year.

His comments hinting at possible intervention in foreign exchange markets knocked the dollar lower in Tokyo trading.

Few in the market think other central banks would join with the Bank of Japan in selling dollars, despite recent remarks by Robert Rubin, the U.S. Treasury secretary, hinting at U.S. concerns over the dollar's current level.

"In 1995, it was clear that the weak dollar was not good for the whole world," Akira Kurihara, chief dealer at Norinchukin Bank said. "But now the U.S. is more concerned with controlling inflation, and even though there have been some complaints about the dollar from exporters, this is not enough of an incentive." *(Reuters, Bloomberg, Market News)*

AMEX

Friday's 4 P.M. Close
The top 300 most active shares, up to the closing on Wall Street.
The Associated Press.

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	6666.23	6711.98	6657.40	6703.55	+44.95
Trans	2491.47	2504.11	2490.24	2501.33	+7.70
Util	212.34	213.39	211.85	213.18	+0.98
Comp	2102.29	2114.42	2100.32	2112.68	+11.45

Standard & Poors

	Previous High	Previous Low	Previous Close	Today 4:00
Industrials	903.75	894.03	895.42	902.69
Transp.	564.40	556.84	562.48	563.14
Utilities	184.30	182.56	182.96	184.19
Finance	86.60	84.97	85.77	85.37
SP 500	768.55	760.49	761.77	766.34
SP 100	748.70	740.55	742.21	746.85

NYSE

	High	Low	Last	Chg.
Composite	403.16	400.65	402.64	+1.99
Industrials	510.43	506.55	510.23	+3.68
Transp.	370.03	367.78	369.80	+1.81
Utility	252.48	251.44	251.99	+0.52
Finance	365.43	363.15	363.32	-0.74

Nasdaq

	High	Low	Last	Chg.
Composite	1227.65	1220.65	1222.30	+5.23
Industrials	1003.79	995.34	995.28	-4.24
Banks	1367.75	1364.68	1364.68	+1.38
Insurance	1423.03	1411.25	1411.25	-10.24
Finance	1664.83	1661.11	1661.74	+0.82
Transp.	877.08	871.99	871.99	-0.87

AMEX

	High	Low	Last	Chg.
	556.64	555.09	556.01	+0.49

Dow Jones Bond

	Close	Chg.
20 Bonds	101.65	+0.20
10 Utilities	98.54	-0.51
10 Industrials	104.76	-0.11

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
PhilMor s	159964	45	42¼	44⅝	+2¾
SilcnGph	91537	14⅛	12⅜	12⅞	-4⅛
NikeB s	60755	54⅝	51⅜	52⅛	-2
MicrnT	53690	38½	35⅝	36	-2
EMC	49679	36½	34¼	34⅞	-½
AT&T s	46289	33⅝	33⅛	33⅜	
Chryslr s	42230	30⅛	30	30¼	+⅛
RJR plC	41308	7	6⅝	6⅞	+⅛
ParkDrl	40991	36⅞	36⅛	36⅝	+¼
ColHCA s	39383	36½	35	35½	
Iomega s	39095	18⅛	17¾	17¾	-⅝
OfficDpt	36144	14⅞	14	14⅜	
Compaq	34838	74⅝	71⅛	72	-3⅝
Exxon s	33759	53½	51⅛	53⅛	+1¼
Seagate s	32374	46⅝	43½	44⅝	-1¼

Nasdaq

	Vol.	High	Low	Last	Chg.
Micrsft s	286582	107⅝	103	107⅝	+9½
Intel	132917	140⅝	137	137⅛	-⅞
Cisco	107930	50⅝	47⅞	48⅝	-1⅛
IdenxLb	81787	11	9⅛	9⅜	-2⅝
EricTel	78146	32⅞	32⅛	32⅜	+⅜
SunMic s	74537	28⅛	26⅞	27⅛	-⅞
Andrew s	68947	26⅛	23⅞	24⅞	+⅝
Ascend	66808	41⅛	40	40⅝	-⅝
Oracle	59532	37⅛	36⅞	37⅛	+⅛
WorldCm s	53298	23⅛	22⅛	22⅞	+⅛
DellCpt s	52067	78⅛	76	76⅝	-⅞
TeleComA	44080	12⅛	11⅛	11⅝	-⅛
ESSTech n	43051	14⅛	12⅛	12⅞	-1⅛
Glenayre	41121	10⅛	8⅛	9	-1⅛
Zitel s	40760	15⅞	13	14⅛	-1⅜

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	16375	76⅞	76⅛	76⅝	-⅜
RoyalO g	7738	2⅛	2⅛	2⅛	
Nabors	7668	19⅝	15⅛	15⅞	-½
EchoBay	6459	6⅞	6⅛	6⅛	+⅛
BAT Ind	6195	17⅞	17⅛	17⅝	-⅛
TrxEco s	6026	13⅛	12⅞	13	-⅛
WEB Bel	5902	16	15⅛	15⅝	-⅛
FAusPr	5326	9⅛	9	9	-⅛
NTNCom	5318	2⅛	2⅛	2⅛	-⅛
Kaase s	4270	44⅛	41	44⅛	-3

Trading Activity

NYSE

	Close	Prev.
Advanced	1520	1285
Declined	955	1210
Unchanged	822	808
Total issues	3297	3303
New Highs	37	34
New Lows	34	48

Nasdaq

	Noon	Prev.
Advanced	1649	1969
Declined	1567	1929
Unchanged	2530	1851
Total issues	5746	5749
New Highs	50	42
New Lows	162	193

AMEX

	Close	Prev.
Advanced	260	227
Declined	236	256
Unchanged	200	216
Total Issues	696	699
New Highs	9	10
New Lows	18	21

Market Sales

	Today 4:00	Prev. cons.
NYSE	473.36	592.50
Amex	17.17	20.89
Nasdaq	544.25	600.61

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Horton,DR	-	.02	4-30	5-15
Madeco ADR	b	.3597	5-2	5-16
Peoples Fst Corp	-	.19	5-1	5-15
STOCK SPLIT				
ASM Lithography 2 for 1 split.				
Noel Group liquidation distribution of .1838631 shares of HealthPlan Svcs for each share held.				
Suncor Inc 2 for 1 split.				
Worldwide Wtd 3 for 2 split.				
INCREASED				
Flushing Fincl	Q	.06	6-6	6-30
Great Fincl	Q	.15	5-1	5-22
Leviathan Gas	Q	.425	4-30	5-15
Savannah Foods	Q	.0375	6-6	6-27
Webster Fincl	Q	.20	5-2	5-15
YEAREND				
Grupo Imsa de CV	b	.0503	4-24	5-9
INITIAL				
Kimberly Clark n	-	.24	6-6	7-2
Suncor Inc n	-	.17	6-13	6-25
Wolverine Wld n	-	.0325	7-1	8-1
REGULAR				
Applied Industl	Q	.16	5-15	5-30
City Natl Corp	Q	.11	5-5	5-15
Dean WitterDiscov	Q	.14	5-27	7-1
Donnelly Corp	Q	.10	6-16	7-1
Fst Nthrn Capital	Q	.16	4-30	5-15
Fst Victoria	Q	.16	4-24	5-8
Gorman Rupp	Q	.14	5-9	6-10
Helix Tech	Q	.35	5-1	5-15
Indiana Fedl	Q	.18	5-15	5-31
Legg Mason	Q	.13	6-12	7-8
Magna Bncp	Q	.15	4-28	5-13
Natl Golf	Q	.42	4-29	5-15
Natl Secur Grp	Q	.17	5-4	5-30
Perkin Elmer	Q	.17	6-2	7-1
Pinnacle Banc	Q	.22	4-28	5-8
Polaris Ind	Q	.16	4-30	5-15
Price Enterprise	Q	.30	5-1	5-15
Realty Income	M	.1575	5-1	5-15
SJW Corp	Q	.57	5-1	6-1
Schlumberger Ltd	Q	.375	6-2	7-11
Std Fedl Bncp	Q	.20	4-30	5-30
SunTrust Bks	Q	.225	6-1	6-16
Susquehanna Bnc	Q	.30	4-29	5-20
Transam Inco	M	.16	4-30	5-15
UMB Fincl	Q	.20	6-13	7-1
United Carolina	Q	.19	4-30	5-8
Wells Fargo B	-	.6875	4-30	5-15

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

April 18, 1997

	High	Low	Latest	Chge	OpInt
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
May 97	301	296½	300¼	+3¼	96,044
Jul 97	301	296¾	300¼	+2½	125,939
Sep 97	288	284¾	287½	+1¼	21,959
Dec 97	284	280½	283½	+¾	99,137
Mar 98	288¾	285½	288	+¼	9,802
Est. sales N.A. Thu's. sales 74,319					
Thu's open int 355,741 off 13107					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
May 97	277.50	272.50	275.80	-0.40	34,177
Jul 97	274.50	269.30	273.50	+0.70	36,464
Aug 97	264.50	260.80	262.80	-0.70	10,660
Sep 97	248.00	245.80	246.30	-0.88	6,784
Oct 97	226.50	224.20	225.90	-0.90	6,484
Dec 97	218.00	215.80	217.30	-0.30	13,944
Est. sales N.A. Thu's. sales 21,812					
Thu's open int 111,465 up 980					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
May 97	24.55	24.10	24.41	+0.32	25,933
Jul 97	24.95	24.51	24.82	+0.31	36,971
Aug 97	25.10	24.73	24.93	+0.26	9,276
Sep 97	25.08	24.82	25.02	+0.26	5,629
Oct 97	25.05	24.75	25.05	+0.20	5,341
Dec 97	25.27	24.95	25.10	+0.10	16,159
Est. sales N.A. Thu's. sales 15,275					
Thu's open int 100,378 up 225					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
May 97	848	833	844	-5½	48,891
Jul 97	849½	836	845¾	-3¼	76,276
Aug 97	830	819	826¼		12,277
Sep 97	749	740	747	+1	6,813
Nov 97	690	681	686¼	-2¼	39,011
Est. sales N.A. Thu's. sales 64,479					
Thu's open int 187,570 up 616					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
May 97	438	418	437	+11¾	10,037
Jul 97	447	426	444½	+13½	31,534
Sep 97	450	430	448	+12½	11,188
Dec 97	459½	439½	457¾	+13¾	10,825
Est. sales N.A. Thu's. sales 27,208					
Thu's open int 85,396 up 1157					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Apr 97	69.30	68.95	69.05	+0.10	3,830
Jun 97	64.55	64.22	64.47	+0.20	36,661
Aug 97	64.82	63.80	63.95	+0.07	24,673
Oct 97	67.82	67.60	67.67		15,610
Dec 97	69.82	69.62	69.45	-0.85	8,320
Feb 98	70.70	70.55	70.65	+0.15	5,002
Est. sales 9,415 Thu's. sales 16,628					
Thu's open int 94,918 off 2110					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Apr 97	71.50	71.10	71.37	+0.30	1,530
May 97	71.30	70.85	70.90	+0.05	6,054
Aug 97	74.40	73.97	74.22	+0.20	6,385
Sep 97	74.20	74.00	74.15	+0.20	1,768
Oct 97	74.60	74.25	74.47	+0.15	2,594
Nov 97	76.10	75.95	76.05	+0.27	1,101
Est. sales 1,875 Thu's. sales 3,925					
Thu's open int 19,778 up 200					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Jun 97	85.70	84.55	85.32	-0.12	15,493
Jul 97	85.45	84.55	85.37	+0.30	5,189
Aug 97	82.40	81.75	82.35	+0.10	4,229
Oct 97	75.45	74.55	75.07	+0.12	3,646
Dec 97	72.45	71.85	71.95	-0.12	2,365
Feb 98	70.80	70.30	70.75	+0.02	547
Est. sales 10,257 Thu's. sales 18,075					
Thu's open int 31,973 up 1785					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
May 97	90.55	87.30	89.95	+2.40	3,814
Jul 97	89.42	86.20	89.12	+2.70	2,424
Aug 97	86.10	83.80	85.90	+2.40	668
Feb 98	76.40	74.10	75.12	+1.57	178
Mar 98	76.40	74.50	74.50	-1.10	9
May 98			65.50	-4.50	2
Est. sales 5,033 Thu's. sales 4,369					
Thu's open int 7,898 off 119					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
May 97	1443	1428	1437	+19	1,633
Jul 97	1473	1461	1463	+12	34,027
Sep 97	1493	1480	1483	+10	13,126
Dec 97	1515	1502	1504	+10	15,917
Mar 98	1528	1527	1527	+10	19,460
Est. sales N.A. Thu's. sales 7,988					
Thu's open int 94,430 up 555					
COFFEE C (NCSE) 37,500 lbs.- cents per lb.					
May 97	218.00	212.80	214.55	+6.75	6,678
Jul 97	194.50	189.00	194.15	+6.65	12,007
Sep 97	176.95	172.50	176.75	+5.80	7,409
Dec 97	157.00	154.25	156.50	+3.95	4,143
Est. sales N.A. Thu's. sales 9,510					
Thu's open int 32,115 up 726					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
May 97	11.30	10.91	11.29	+0.33	39,294
Jul 97	11.18	10.87	11.09	+0.21	65,598
Oct 97	10.90	10.68	10.84	+0.15	33,361
Mar 98	10.80	10.63	10.76	+0.12	19,452
Est. sales N.A. Thu's. sales 22,754					
Thu's open int 164,420 off 2382					

	High	Low	Latest	Chge	OpInt
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
May 97	76.20	75.10	75.50	-0.20	9,325
Jul 97	79.10	77.90	78.50	-0.05	10,737
Sep 97	81.60	80.65	81.20	-0.10	4,891
Nov 97	85.00	83.95	83.95	-0.10	2,127
Est. sales N.A. Thu's. sales 1,463					
Thu's open int 28,790 off 70					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Apr 97	343.10	341.80	341.50	-0.60	363
May 97			342.10	-0.80	2
Jun 97	345.20	343.00	343.40	-0.90	76,296
Aug 97	347.60	346.00	345.90	-0.90	16,190
Oct 97	349.60	348.70	348.50	-0.90	6,144
Dec 97	352.50	351.00	351.30	-0.90	21,616
Feb 98	355.00	355.00	354.10	-1.00	4,704
Apr 98			356.70	-1.00	3,805
Est. sales N.A. Thu's. sales 36,818					
Thu's open int 163,784 off 1308					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Apr 97	108.00	106.25	107.30	+1.05	1,900
May 97	107.50	105.10	106.80	+1.25	19,681
Jun 97	106.70	105.70	106.20	+1.10	1,703
Jul 97	106.60	104.75	105.60	+0.95	9,867
Aug 97			104.60	+0.75	835
Sep 97	104.30	103.25	103.70	+0.70	4,352
Oct 97			103.00	+0.70	749
Nov 97			102.05	+0.55	851
Dec 97	102.30	101.10	101.20	-0.40	6,829
Est. sales N.A. Thu's. sales 8,212					
Thu's open int 49,910 up 123					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Apr 97			470.70	+2.10	3
May 97	475.50	467.00	471.30	+1.80	49,920
Jun 97			473.80	+1.80	2
Jul 97	480.00	475.00	476.30	+1.80	30,724
Sep 97	482.50	480.50	481.10	+1.80	3,741
Dec 97	492.00	488.50	488.50	+1.80	6,011
Jan 98			491.10	+1.80	17
Mar 98	496.50	496.50	496.00	+1.70	5,981
Est. sales N.A. Thu's. sales 38,618					
Thu's open int 102,323 up 1325					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Apr 97			375.20	-1.20	8
May 97			388.50		
Jun 97	1524.00	1524.00	1540.00	+52.50	
Jul 97	379.50	374.50	377.20	-1.20	12,360
Oct 97	378.00	377.00	378.00	-1.10	2,853
Jan 98			380.80	-1.10	1,174
Est. sales N.A. Thu's. sales 11,350					
Thu's open int 16,464 up 68					

LONDON METALS (LME) Dollars per metric ton	Close		Previous	
Aluminum (High Grade)				
Spot	1525½	1526½	1515½	1516½
Forward	1559.00	1560.00	1550.00	1550½
Copper Cathodes (High Grade)				
Spot	2338.00	2340.00	2301½	2303½
Forward	2292.00	2293.00	2266.00	2267.00
Lead				
Spot	626½	627½	634.00	635.00
Forward	634.00	634½	639.00	640.00
Nickel				
Spot	7235.00	7245.00	7160.00	7170.00
Forward	7350.00	7355.00	7275.00	7280.00
Tin				
Spot	5685.00	5695.00	5615.00	5620.00
Forward	5730.00	5740.00	5670.00	5675.00
Zinc (Special High Grade)				
Spot	1227½	1228½	1229.00	1230.00
Forward	1249.00	1249½	1247.00	1248.00

	High	Low	Close	Chge	OpInt
Financial					
US T. BILLS (CMER) $1 million- pts of 100 pct.					
Jun 97	94.60	94.60	94.60		4,457
Sep 97	94.33	94.33	94.35	+0.02	3,607
Dec 97			94.48		847
Est. sales N.A. Thu's. sales 481					
Thu's open int 10,264 off 125					
5 YR. TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Jun 97	104-42	104-32	104-39	+ 05	245,712
Sep 97	104-18	104-18	104-18	+ 01	1,302
Dec 97			104-04		10
Est. sales N.A. Thu's. sales 58,986					
Thu's open int 239,331 off 7683					
10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Jun 97	106-05	105-28	106-03	+ 05	331,706
Sep 97	105-21	105-16	105-21	+ 05	22,953
Dec 97	105-06	105-06	105-06	+ 02	1,800
Est. sales N.A. Thu's. sales 91,588					
Thu's open int 357,219 up 760					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Jun 97	108-05	107-24	108-00	+ 05	459,331
Sep 97	107-23	107-10	107-19	+ 06	35,339
Dec 97	107-10	107-10	107-00		5,988
Mar 98			106-23		1,995
Est. sales N.A. Thu's. sales 473,416					
Thu's open int 511,523 up 8843					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Jun97	110-02	109-22	109-24	- 0-12	170,624
Sep97	N.T.	N.T.	109-19	- 0-13	2,714
Est. sales: 33,735. Prev. sales: 24,406					
Prev. open int.: 173,338 up 2,429					
GERMAN GOVERNMENT BUND (LIFFE) DM250,000 - pts of 100 pct					
Jun97	101.00	100.69	100.82	- 0.11	263,587
Sep97	N.T.	N.T.	99.81	- 0.11	7,526
Est. sales: 124,015. Prev. sales: 254,310					
Prev. open int.: 271,113 up 4,249					

	High	Low	Latest	Chge	OpInt
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Jun 97	128.88	128.52	128.72	- 0.18	161,178
Sep 97	127.20	127.02	127.12	- 0.16	5,348
Dec 97	96.70	96.70	96.72	- 0.18	0
Est. volume: 151,754. Open int.: 166,526 off 2,653.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Jun97	128.26	127.60	127.76	- 0.61	101,302
Sep97	128.28	128.00	127.84	- 0.60	4,628
Est. sales: 39,993. Prev. sales: 57,223					
Prev. open int.: 105,930 off 4,524					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
May 97	94.11	94.09	94.11	+0.01	34,580
Jun 97	94.03	94.01	94.03	+0.01	480,800
Jul 97	93.93	93.91	93.94	+0.02	5,459
Sep 97	93.78	93.74	93.77	+0.02	407,468
Dec 97	93.52	93.47	93.52	+0.05	301,461
Mar 98	93.38	93.31	93.37	+0.06	232,868
Jun 98	93.26	93.20	93.24	+0.05	204,832
Sep 98	93.16	93.11	93.16	+0.06	154,823
Dec 98	93.06	93.01	93.06	+0.06	129,190
Mar 99	93.06	93.01	93.06	+0.06	98,450
Jun 99	93.03	92.98	93.02	+0.05	80,804
Sep 99	92.99	92.95	92.98	+0.04	61,151
Est. sales N.A. Thu's. sales 663,716					
Thu's open int 2,552,903 off 11929					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Jun 97	1.6334	1.6274	1.6300		36,382
Sep 97	1.6380	1.6284	1.6300		867
Dec 97			1.6246		101
Est. sales N.A. Thu's. sales 7,570					
Thu's open int 37,330 up 1202					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Jun 97	.7180	.7160	.7174		78,253
Sep 97	.7218	.7197	.7214		4,867
Dec 97	.7248	.7248	.7248		1,209
Mar 98			.7270		782
Est. sales N.A. Thu's. sales 6,745					
Thu's open int 85,244 up 1502					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Jun 97	.5866	.5817	.5866		86,748
Sep 97	.5903	.5888	.5904		3,188
Dec 97			.5907		319
Mar 98			.5951		37
Est. sales N.A. Thu's. sales 21,382					
Thu's open int 90,282 up 3155					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Jun 97	.8024	.7992	.8009		88,382
Sep 97	.8124	.8109	.8117		1,446
Dec 97	.8237	.8227	.8237		623
Est. sales N.A. Thu's. sales 22,530					
Thu's open int 82,461 off 1076					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Jun 97	.6907	.6865	.6917		42,823
Sep 97	.6970	.6950	.6983		2,135
Dec 97			.7006		381
Est. sales N.A. Thu's. sales 13,840					
Thu's open int 45,389 off 178					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Jun97	93.45	93.42	93.42	- 0.04	116,819
Sep97	93.19	93.14	93.14	- 0.06	92,305
Dec97	92.97	92.92	92.92	- 0.06	72,998
Mar98	92.81	92.76	92.76	- 0.06	49,712
Jun98	92.67	92.64	92.64	- 0.05	41,126
Sep98	92.57	92.54	92.54	- 0.05	27,559
Dec98	92.49	92.47	92.45	- 0.07	21,207
Mar99	92.43	92.38	92.38	- 0.07	13,545
Jun99	92.38	92.35	92.34	- 0.05	9,747
Sep99	92.33	92.28	92.29	- 0.04	8,323
Est. sales: 41,181. Prev. sales: 102,710					
Prev. open int.: 460,974 off 3,856					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
May97	96.76	96.75	96.76	Unch.	3,548
Jun97	96.77	96.74	96.75	- 0.01	228,679
Jul97	96.74	96.74	96.74	Unch.	880
Sep97	96.71	96.68	96.70	- 0.01	194,334
Dec97	96.57	96.54	96.57	Unch.	212,838
Mar98	96.42	96.40	96.42	Unch.	175,557
Jun98	96.24	96.21	96.24	+ 0.01	141,568
Sep98	96.04	96.00	96.03	+ 0.01	118,617
Dec98	95.79	95.74	95.78	+ 0.01	74,209
Mar99	95.53	95.50	95.53	+ 0.01	64,900
Jun99	95.27	95.23	95.27	+ 0.02	35,627
Sep99	95.01	94.97	95.01	+ 0.02	26,836
Dec99	94.74	94.70	94.74	+ 0.02	30,472
Est. sales: 105,938. Prev. sales: 193,243					
Prev. open int.: 1,326,243 up 7,863					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Jun 97	96.55	96.49	96.49	- 0.09	58,704
Sep 97	96.54	96.48	96.49	- 0.08	48,449
Dec 97	96.48	96.42	96.43	- 0.06	35,458
Mar 98	96.37	96.33	96.34	- 0.04	28,256
Jun 98	96.21	96.17	96.19	- 0.02	20,941
Sep 98	96.01	95.96	96.00	- 0.01	17,125
Dec 98	95.78	95.75	95.78	+0.00	13,389
Mar 99	95.56	95.51	95.54	+0.00	13,205
Jun 99	95.29	95.29	95.30	+0.00	6,764
Sep 99	95.00	94.97	95.05	- 0.02	4,532
Est. volume: 154,680. Open int.: 255,001 up 5,200.					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Jun97	93.19	93.06	93.12	- 0.09	118,178
Sep97	93.45	93.36	93.39	- 0.11	70,420
Dec97	93.56	93.48	93.50	- 0.11	41,773
Mar98	93.57	93.50	93.52	- 0.11	27,609
Jun98	93.57	93.48	93.50	- 0.11	17,754
Sep98	93.49	93.44	93.44	- 0.11	5,452
Dec98	93.34	93.34	93.34	- 0.12	1,298
Mar99	93.31	93.25	93.25	- 0.12	1,089
Est. sales: 63,160. Prev. sales: 64,291					
Prev. open int.: 283,731 up 7,174					

	High	Low	Latest	Chge	OpInt
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
May 97	71.15	70.70	70.86	+0.11	17,019
Jul 97	72.80	72.30	72.52	+0.07	30,840
Oct 97	74.25	73.80	74.07	+0.07	2,183
Dec 97	75.20	74.85	75.10	+0.17	22,260
Mar 98	76.15	76.00	76.23	+0.08	2,796
May 98			76.75		650
Est. sales N.A. Thu's. sales 14,409					
Thu's open int 76,756 off 1392					
HEATING OIL (NMER) 42,000 gal, cents per gal					
May 97	55.00	54.20	54.59	+0.50	28,119
Jun 97	53.80	53.10	53.25	+0.36	30,342
Jul 97	53.80	53.15	53.45	+0.36	22,645
Aug 97	54.50	53.75	54.05	+0.36	12,619
Sep 97	54.95	54.50	54.90	+0.41	7,841
Oct 97	55.80	55.25	55.55	+0.26	7,054
Nov 97	56.60	56.00	56.40	+0.36	7,306
Dec 97	57.38	56.70	57.08	+0.31	11,727
Jan 98	57.70	57.20	57.45	+0.41	6,442
Feb 98	57.50	57.25	57.40	+0.61	3,171
Est. sales N.A. Thu's. sales 32,877					
Thu's open int 144,611 up 4655					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
May 97	19.97	19.43	19.88	+0.46	36,801
Jun 97	19.72	19.34	19.60	+0.26	102,938
Jul 97	19.73	19.44	19.61	+0.21	47,434
Aug 97	19.72	19.57	19.63	+0.18	29,088
Sep 97	19.71	19.59	19.63	+0.14	17,841
Oct 97	19.69	19.64	19.69	+0.19	15,887
Nov 97	19.67	19.63	19.66	+0.15	12,956
Dec 97	19.70	19.40	19.60	+0.09	29,888
Jan 98	19.63	19.40	19.60	+0.09	14,540
Feb 98	19.62	19.62	19.62	+0.11	8,141
Mar 98	19.66	19.60	19.48	-0.03	3,908
Est. sales N.A. Thu's. sales 104,236					
Thu's open int 422,822 up 3913					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
May 97	2.080	2.035	2.075		23,307
Jun 97	2.140	2.085	2.135		31,659
Jul 97	2.152	2.115	2.140		16,748
Aug 97	2.155	2.120	2.150		11,511
Sep 97	2.155	2.125	2.145		12,230
Oct 97	2.190	2.168	2.180		14,503
Nov 97	2.300	2.280	2.295		7,168
Dec 97	2.417	2.390	2.400		10,371
Jan 98	2.455	2.438	2.440		11,456
Est. sales N.A. Thu's. sales 72,480					
Thu's open int 183,444 up 4834					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
May 97	61.75	60.75	61.50	+0.88	32,222
Jun 97	61.15	60.16	60.90	+0.59	37,438
Jul 97	60.15	59.45	59.90	+0.40	12,637
Aug 97	59.20	58.50	59.00	+0.50	5,814
Sep 97	57.75	57.40	57.40	+0.10	3,029
Oct 97	56.50	55.75	55.75		1,755
Est. sales N.A. Thu's. sales 22,996					
Thu's open int 101,126 off 670					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
May 97	165.00	162.50	163.25	+1.00	22,787
Jun 97	165.50	164.00	164.25	+0.75	10,104
Jul 97	166.75	165.50	166.00	+0.50	6,622
Aug 97	168.50	16.25	167.75	+0.25	4,508
Sept 97	169.75	169.50	169.75	+0.25	2,427
Oct 97	172.50	171.50	171.75	+0.25	2,889
Nov 97	174.25	173.50	173.00	+0.25	916
Dec 97	174.50	173.75	173.75	+0.25	7,738
Jan 98	N.T.	N.T.	174.50	+0.25	1,293
Feb 98	174.00	174.00	173.00	+0.50	155
Est. sales: 12,625. Open int.: 60,764 off 912					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
June 97	18.13	17.81	17.92	+0.23	81,184
July 97	18.22	17.96	18.07	+0.19	35,872
Aug 97	18.32	18.14	18.23	+0.15	13,869
Sep 97	18.43	18.30	18.30	+0.08	8,147
Oct 97	18.47	18.36	18.35	+0.06	5,851
Nov97	18.43	18.42	18.36	+0.02	5,198
Dec97	18.47	18.40	18.36	-0.02	8,524
Jan98	18.47	18.37	18.35	-0.05	7,461
Est. sales: 29,535. Open int.: 170,658 up 6,060					
Stock Indexes					
S&P COMP. INDEX (CMER) 500 x index					
Jun 97	773.00	766.85	768.20	+2.10	182,299
Sep 97	780.50	776.40	776.50	+2.65	5,441
Dec 97	785.40	785.40	785.40	+3.20	3,392
Mar 98			791.60		620
Est. sales N.A. Thu's. sales 85,942					
Thu's open int 191,752 up 616					
CAC 40 (MATIF) FF200 per index point					
Apr 97	2585.0	2541.0	2613.0	+0.00	25,158
May 97	2572.0	2537.0	2599.0	+0.00	5,060
Jun 97	2548.0	2505.0	2575.0	+0.00	22,586
Sep 97	2544.0	2516.5	2588.5	+0.00	8,840
Dec 97	N.T.	N.T.	2608.5	+0.00	250
Mar 98	N.T.	N.T.	2630.5	+0.00	7,837
Sep 98	N.T.	N.T.	2609.5	+0.00	1,245
Est. volume: 21,886. Open int.: 70,976 up 1,886.					
FTSE 100 (LIFFE) £25 per index point					
Jun97	4327.0	4305.0	4316.0	- 2.0	61,173
Sep97	N.T.	N.T.	4341.0	- 1.0	2,901
Dec97	4387.0	4387.0	4381.0	- 6.0	0
Est. sales: 10,444. Prev. sales: 9,991					
Prev. open int.: 64,074 up 729					

Commodity Indexes

	Close	Previous
Moody's	1,579.60	1,577.40
Reuters	1,946.50	1,946.00
D.J. Futures	159.54	158.30
CRB	247.34	245.32

EUROPE

German Bill Hailed As Pioneering Effort To Tame the Internet

Reuters

BONN — The government presented Friday multimedia legislation to Parliament, hailing it as a pioneering effort to tame the wild electronic frontier of the Internet.

The parliamentary debate, which kicked off the final leg of a process expected to lead to the passage of the Information and Communications Services Bill, opens in a week overshadowed by the surprise indictment of the on-line service CompuServe Corp. in Bavaria.

Defending the government's efforts to "protect the weakest" in society with tough laws to fight illegal misuse of the Internet, Research and Technology Minister Juergen Ruettgers said at the same time that the problem should not be exaggerated.

Germany has acted to stop neo-Nazi electronic magazines on the World Wide Web, usually located abroad but viewable by Germans over the Internet, from distributing diatribes which deny the Nazis killed Jews in concentration camp gas chambers — the so-called "Auschwitz Lie," which is illegal in Germany.

"We must continue to forbid the Auschwitz Lie, regardless of whether it is spread in black and white or in bit and byte," Mr. Ruettgers told the sparsely attended debate.

Bonn has stepped up efforts to fight pornographic images, easily viewable by children on Web sites around the world. Certain hard-core images are illegal in Germany.

"The Internet must not become a legal vacuum. This country is not prepared to tolerate certain things that appear there," he said.

Bavarian prosecutors earlier this week indicted Felix Somm, the head of CompuServe's German unit, on charges of aiding the exchange of child porn and extremist propaganda through its on-line service.

Mr. Ruettgers said, however, that the issue of Internet smut should not be blown out of proportion.

"We are talking here about just one percent of the total content available on the Internet, so I don't want discussion of these things to get the upper hand," he said. "But it is still important that we have some rules and guidelines."

While the new law would set standards for child protection in cyberspace, it mainly seeks to define which activities require regulation and which can be operated without any formal license or regulatory oversight.

To do this, it distinguishes between traditional media forms that use the Internet and should therefore fall under media regulations and new services such as electronic mail, which the government says should not be classified as media.

Speaking for the opposition Social Democrats, Wolfgang Thierse, the deputy chairman, said that efforts to censor the Internet would fail, but he called for the police to set up a national coordination center to monitor illegal on-line activities.

Mr. Thierse said the bill ignored the convergence of traditional media, television and computing. It would have been better to expand existing media laws than to create a new legal framework that has no teeth.

Deutsche Bank To Trim Office In Luxembourg

Reuters

LUXEMBOURG — Deutsche Bank AG has announced it would scale back operations in Luxembourg, moving part of its euro market loans business to Ireland and its proprietary trading to London.

The bank, Germany's largest, said in remarks published Friday that the moves reflected a new group structure, but also growing competitive pressures both in the industry and among financial centers.

"There is a new structure in Deutsche Bank, we are concentrating business in a few places, thus investment banking is now in London," said Ekkehard Storck, managing director of Deutsche Bank Luxembourg, a subsidiary of Deutsche Bank.

"We are moving proprietary trading to have a better overview and more transparency," he said. He said the operations could be moved to headquarters in Frankfurt, but would most likely be transferred to London.

"It is a logical development in the course of globalization," Mr. Storck said.

Allies Press Japan Trade Case

EU Supports U.S. in Complaint Over Photo Film Market

By Tom Buerkle
International Herald Tribune

BRUSSELS — The European Union on Friday gave full support to the United States in its trade complaint against Japan over photographic film, demonstrating that the state of trans-Atlantic trade relations is better than the recent dispute over Cuba might suggest.

The so-called Kodak-Fuji case, named after the two corporate protagonists involved in the dispute at the World Trade Organization, is being watched closely by trade specialists because of its potential for setting precedents on anti-competitive trade practices such as exclusive distribution rights.

European companies have long shared U.S. complaints that cozy relationships between Japanese manufacturers and distributors work to curb market access for foreign companies, but Europe traditionally has pressed its complaints mainly through negotiation with the Japanese.

On Friday, however, European officials backed up U.S. claims at the opening hearing in the case at WTO headquarters in Geneva, alleging that Japanese regulations on distribution and pricing have worked to deny market access to foreign companies.

Government measures "have guided the distribution sector of Japan to strengthen the links between domestic producers and the main distribution channels," said the European Commission, the executive agency that handles trade matters for the 15-nation EU.

"Having the EU come out and say, 'Yes, there is a market access problem in Japan' will be very helpful to the panel," one U.S. official said.

The EU support largely reflects European satisfaction that the United States decided to attack the Japanese measures multilaterally, through the WTO, rather than unilaterally via a provision of U.S. trade law, EU and U.S. officials said.

The U.S. case alleges that the government worked with industry to lock up the film market through three types of regulatory measures: rules for consolidating the distribution system, a law limiting the number of large-scale retailers — outlets that tend to stock more foreign goods — and rules proscribing certain price-cutting and other promotional efforts.

Japan dismissed the complaint, saying that many of the regulations pre-date the global trading commitments that Washington claims they nullify and have no bearing on whether retailers stock domestic or imported goods. The real issue, in Tokyo's eyes, is Eastman Kodak Co.'s failure to work hard enough to penetrate the Japanese market.

Kodak's Japanese investment has lagged behind Fuji Corp., which has poured $2 billion into the U.S. market in the past decade.

Edward Graham, a trade specialist at the Institute for International Economics in Washington, said Fuji's own corporate practices have much more impact on the Japanese market than governmental measures.

Fuji's dominance in Japan is simply a mirror image of Kodak's position in the United States.

Anglo to Recast Stake in Lonrho

Compiled by Our Staff From Dispatches

JOHANNESBURG — Anglo American Corp. of South Africa agreed to reduce its voting power in Lonrho PLC as part of a settlement with the European Commission, an Anglo American executive said on Friday.

Anglo American agreed to put about 17.4 percent of Lonrho into a voting trust, leaving it with voting rights of less than 10 percent, a company executive said.

The commission had threatened to block on Wednesday Anglo American's purchase of a Lonrho stake of about 28 percent, on the grounds that it would cut competition in the global platinum industry.

By agreeing to place most of the stake in the voting trust, Anglo American gains flexibility to pursue its interests, the executive said.

Last April the commission blocked a planned $1.9 billion merger between the platinum units of Lonrho and Gencor Ltd. on competition grounds. Competition Commissioner Karel Van Miert said then that any attempt by Anglo American to control Lonrho would create a "similar problem."

The commission can block or demand changes to planned mergers or buy-outs involving companies with revenue of more than 250 million ecus ($284 million) on the European market. *(Bloomberg, AFP)*

Swissair Predicts an Uptrend in Profit

Compiled by Our Staff From Dispatches

ZURICH — SAirGroup, the operator of the Swiss national airline Swissair AG, said Friday it expected rising operating profit as it reorganized this year, after the figure for 1996 rose more than expected.

The company said it expected "a further improvement" as it streamlines its operations.

The company did not give a net earnings outlook. Last year it had a record net loss of 497 million Swiss francs ($339.6 million), compared with a restated net loss of 161 million francs, as it took charges of 300 million francs to reorganize and 267 million francs to write down a 49.5 percent stake in Sabena SA.

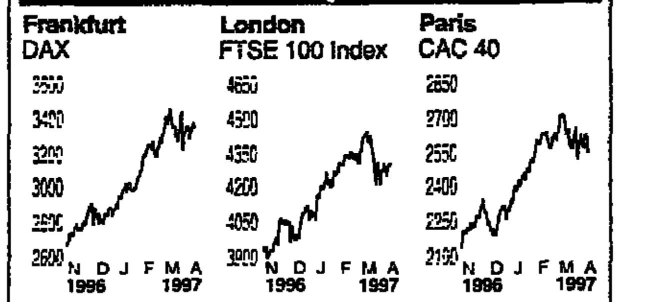
Operating profit last year rose to 344 million francs from 247 million francs a year earlier.

Swissair shares rose 53 francs on Friday, to 1,349 francs.

SAirGroup said it had taken precautionary provisions of 300 million Swiss francs in its 1996 accounts to cover various possible measures.

Philippe Bruggisser, chief executive of SAirGroup, said that the provisions could be used to give SAirGroup room to maneuver in Europe's liberalized aviation market. "We want to — we have to — positively improve our costs in a decisive manner," he said. *(Bloomberg, AFX, Reuters)*

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	741.79	739.63	+0.29
Brussels	BEL-20	2,171.71	2,147.34	+1.13
Frankfurt	DAX	3,344.39	3,383.25	-1.15
Copenhagen	Stock Market	533.00	530.72	+0.43
Helsinki	HEX General	2,833.83	2,807.36	+0.94
Oslo	OBX	596.48	594.05	+0.41
London	FTSE 100	4,310.50	4,298.90	+0.27
Madrid	Stock Exchange	491.16	490.63	+0.11
Milan	MIBTEL	12248	12332	-0.68
Paris	CAC 40	2,547.56	2,615.18	-2.59
Stockholm	SX 16	2,826.60	2,844.89	-0.64
Vienna	ATX	1,191.93	1,179.48	+1.06
Zurich	SPI	2,969.22	2,952.25	+0.57

Source: Telekurs International Herald Tribune

Very briefly:

- **Electrafina SA**, a Belgian holding company controlled by the financier Albert Frere, has bought a 3.05 percent stake in France's **Compagnie de Suez SA** from **Banque Nationale de Paris SA**. The purchase lifted Electrafina's stake in Suez to 11.35 percent.
- **Jean Arthuis**, France's finance minister, said **Banque Hervet**, a state-owned bank, could be sold in a public offering by this summer.
- **Istituto Nazionale delle Assicurazioni SpA** set up a joint venture with **Banca Nazionale del Lavoro SpA** to acquire a 60 percent stake in **Banco di Napoli SpA**, as planned.
- **South Africa**'s budget deficit reached 5.3 percent of gross domestic product in the last fiscal year, overshooting a target of 5.1 percent.
- **Volvo AB**'s truck division will set up a subsidiary in South Korea, **Volvo Truck Korea Ltd.**, to establish a sales and service network.
- **Dyno Industrier ASA**, a Norwegian explosives and chemicals company, said first-quarter pretax profit rose a less-than-expected 8 percent, to 93 million kroner ($13.1 million), as higher raw-material prices partly offset an increase in sales.
- **Chemring Group PLC** will shed its fireworks and leisure-clothing business as reorganization costs and delays in defense orders force the company to post a loss of £2 million ($3.3 million) in the first half of the year.
- **PTT Nederland NV**, the Dutch post and telecommunications group, has agreed with labor unions to give 92,000 of its workers pay raises of 3 percent in 1997 and 1998.
- **Liberty PLC**, a British retailer, announced a pretax profit of £4.4 million for the year ended in February and said it planned a major redevelopment of its flagship London store.
- **The European Union's** 15 member states showed a 0.2 percent increase in industrial production in November, December and January, compared with the previous three months, according to Eurostat, the EU's statistical office.
- **Germany's** federal budget deficit reached 39.7 billion Deutsche marks ($22.98 billion) in the first three months of the year, equal to nearly three quarters of the level allotted for the full year, an opposition Social Democrat parliamentarian said. *Reuters, Bloomberg*

WORLD STOCK MARKETS

Friday, April 18
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 741.79 Previous: 739.63

	High	Low	Close	Prev.
ABN-AMRO	129.10	126.70	128.50	128.60
Aegon	136	132.50	135.50	134
Ahold	134.70	132.50	133.20	134.30
Akzo Nobel	261.40	256.50	259.30	265
Baan Co.	92.40	90.10	92	92.40
Bols Wess cva	37	36	36.80	36.10
CSM cva	111.50	107.50	109.30	109.80
Dordtsche Pet	361	356.30	358.70	358.20
DSM	186.50	184.20	185	186
Elsevier	31.20	30.50	31.10	30.60
Fortis Amev	71.50	69.40	71.30	69.80
Getronics	59.50	58.70	59.50	59.40
G-Broc cva	63.30	62.60	63.10	63.20
Hagemeyer	161.40	157.60	160.40	160.50
Heineken	319.70	314.50	318.50	316
Hoogovens cva	85.80	84.50	85.30	85.50
Hunt Douglas	153	152.50	152.80	151.50
ING Group	74	72.80	73.50	73.50
KLM	57.80	56.50	57.60	57
KNP BT	39.60	38.70	39	38.90
KPN	70.20	68.90	69.60	69.30
Nedlloyd Gp	44.70	44.20	44.40	44.50
Nutricia	286.50	283	285.50	286
Oce Grinten	229	222	228.40	223
Philips Elec	91.90	89.90	90.90	90.80
Polygram	97.30	95	95.60	95.40
Randstad Hdg	170	167	168.50	170.50
Robeco	161	160.30	160.50	160.40
Rodamco	59.90	59.60	59.80	59.90
Rolinco	163.30	163.10	163.10	163
Rorento	109.20	109	109	109.20
Royal Dutch	339.10	334.50	338.70	335.40
Unilever cva	364.20	359.20	362.90	363
Vendex Intl	96	92.80	95.30	93
VNU	39.90	39.10	39.60	39.60
Wolters Kl cva	235.50	229.20	231	231.50

Bangkok
SET index: 780.23 Previous: 781.76

	High	Low	Close	Prev.
Adv Info Svc	232	230	230	230
Bangkok Bk F	276	264	266	278
Krung Thai Bk	37	34.25	36.75	36.25
PTT Explor	330	326	328	334
Siam Cement F	748	740	740	732
Siam Com Bk F	165	157	158	166
Telecomasia	46	44.75	44.75	46
Thai Airways	43.50	42.50	43	42.50
Thai Farm Bk F	179	170	175	179
Utd Comm	175	170	175	170

Markets Closed

Stock markets in Bombay, Jakarta, Kuala Lumpur and Singapore were closed Friday for a holiday.

Brussels
BEL-20 index: 2171.71 Previous: 2147.34

	High	Low	Close	Prev.
Almanij	13700	13575	13700	13775
Barco Ind	6100	5970	6050	5970
BBL	8180	7890	8100	7930
CBR	3385	3310	3310	3350
Colruyt	14250	14025	14150	14250
Delhaize Lion	1800	1760	1790	1775
Electrabel	7980	7850	7930	7890
Electrafina	3520	3425	3570	3460
Fortis AG	6150	5980	6150	6000
Gevaert	2600	2545	2600	2545
GBL	5100	5060	5090	5100
Gen Banque	14900	13575	14000	13675
Kredietbank	12900	12575	12900	12625
Petrofina	12700	12550	12675	12725
Powerfin	4960	4890	4960	4905
Royale Belge	9200	9060	9140	9160
Soc Gen Belg	3040	2940	3040	2985
Solvay	20300	20175	20275	20275
Tractebel	15000	14850	15000	14875
UCB	96000	92800	95150	93500

Copenhagen
Stock index: 533.00 Previous: 530.72

	High	Low	Close	Prev.
BG Bank	294	290	292	291
Carlsberg B	390	383	390	380
Codan Fors	880.80	875	875	875
Danisco	388	383	386	383
Den Danske Bk	545.55	537	545	538
D/S Svendbrg B	285285	285000	285000	283283
D/S 1912 B	199000	197000	199000	195100
FLS Ind B	900.90	899.10	899.10	900
Kab Lufthavne	646	640	645	640
Novo Nordisk B	658.25	652	657	654
Sophus Ber B	805	795	800	799.20
Tele Danmk B	340	337	340	345
Tryg Baltica	365	334	341	335
Unidanmark A	330	326	329.17	329

Frankfurt
DAX: 3344.39 Previous: 3383.25

	High	Low	Close	Prev.
AMB B	1335	1320	1335	1320
Adidas	179	177.80	178.10	184
Allianz Hdg	3209	3187	3205	3220
Altana	1315	1290	1300	1301
Bk Berlin	34.65	34.45	34.63	34.48
BASF	66.90	65.90	66.40	67.50
Bayer Hypo Bk	53	52.35	52.40	53.45
Bay.Vereinsbank	68.30	67.40	67.80	66.50
Bayer	69.05	68.70	68.95	70.15
Beiersdorf	91	89.50	89.80	91.80
Bewag	43.10	42.50	42.50	43
BMW	1408	1382	1382.50	1431
CKAG Colonia	162	161	161	161.50
Commerzbank	45.85	45.30	45.85	45.45
Daimler Benz	132.75	131.50	131.50	133.30
Degussa	777	769	770	776
Deutsche Bank	89	88.60	88.60	89.60
Deut Telekom	36.85	36.40	36.65	37.35
Dresdner Bank	54.90	54.55	54.55	55.10
Fresenius	391	386	390	388.50
Fresenius Med	158.40	157.10	157.70	158
Fried. Krupp	348.50	340	348	342
Gehe	112.50	110	112.50	112.50
Heidelbg Zmt	141.50	140.50	141	141
Henkel pfd	94.30	92.20	92.20	92.50
HEW	495	495	495	492
Hochtief	69.50	67.10	68.50	67.30
Hoechst	64.70	64.25	64.35	64.65
Karstadt	519.50	515.50	516	524.50
Linde	1150	1135	1142	1160
Lufthansa	22.45	22	22	22.50
MAN	496.50	493	495.50	494
Mannesmann	651	647.50	649.80	652.50
Metallgesellschaft	36.45	36	36.45	36.25
Metro	161.50	158.50	159	162.60
Munich Rueck R	4000	3930	3970	4000
Preussag	447	443	446.25	447
Rheinelektra	n.a.	n.a.	n.a.	n.a.
RWE	67.55	67.25	67.50	67.65
SAP pfd	281.80	279	281.50	284.70
Schering	166.50	163	165.50	165.50
SGL Carbon	232	230	231.50	238
Siemens	88.88	87.90	88.65	88.40
Springer (Axel)	1420	1400	1420	1380
Suedzucker	820	810	820	805
Thyssen	395.50	390	390	394.80
Veba	93.52	93.20	93.45	93.95
VEW	506	500	500	499.50
Viag	754.50	749	754	764.50
Volkswagen	1085	1065	1065	1098.50

Helsinki
HEX General index: 2833.83 Previous: 2807.36

	High	Low	Close	Prev.
Enso A	42	41.30	42	42
Huhtamaki I	233	230	231	233
Kemira	54.50	53.90	54	54
Kesko	72.80	71	71.70	70.50
Merita A	16.30	16	16.20	15.80
Metra B	144	141	142	142.50
Metso-Serla B	36.70	36	36.70	36
Neste	123	121	123	122
Nokia A	300.50	296.80	299	297
Orion-Yhtymae	196	193	196	194.50
Outokumpu A	91.80	90	91.50	89
UPM-Kymmene	114.50	113.20	114.50	113.20
Valmet	88	87.30	87.80	88

Hong Kong
Hang Seng: 13541.18 Previous: 12516.27

	High	Low	Close	Prev.
Amoy Props	7.70	7.45	7.70	7.55
Bk East Asia	26.30	26.10	26.30	26.20
Cathay Pacific	11.95	11.85	11.85	11.80
Cheung Kong	67.25	66.25	67.25	66.25
CK Infrastruct	22.25	22.15	22.25	22.30
China Light	34.80	34.40	34.60	34.80
Citic Pacific	39	38.50	38.80	38.90
Dao Heng Bk	36.30	36	36.10	36.10
First Pacific	9.90	9.75	9.75	9.80
Hang Lung Dev	14.15	14	14.15	14
Hang Seng Bk	83.50	82.75	83	83
Henderson Inv	7.80	7.65	7.80	7.80
Henderson Ld	65.50	63.25	64.75	64.25
HK China Gas	12.55	12.45	12.55	12.55
HK Electric	27.10	26.85	27.10	26.95
HK Telecomm	13.45	13.40	13.40	13.55
Hopewell Hdgs	4.05	3.98	4.03	3.98
HSBC Hdgs	187	186	186.50	186.50
Hutchison Wh	57.75	57	57.25	57.25
Hysan Dev	22.45	22.20	22.40	22.30
Johnson El Hdg	19.30	19.15	19.30	19.40
Kerry Props	17.70	17.55	17.60	17.80
New World Dev	39.90	39.20	39.90	39.20
Oriental Press	3.10	2.98	3.08	3.03
Pearl Oriental	2.98	2.95	2.98	2.98
SHK Props	78.25	76.75	78.25	76.50
Shun Tak Hdgs	4.93	4.90	4.93	4.93
Sino Land Co.	7.30	7.10	7.30	7.15
Sth China Post	6.75	6.65	6.75	6.75
Swire Pac A	59.25	58.50	59.25	59.25
Wharf Hdgs	30.10	29.90	29.95	29.95
Wheelock	16.40	16.20	16.25	16.25

Johannesburg
All Market: 7022.23 Previous: 6975.99

	High	Low	Close	Prev.
Amalgamtd Bks	29.55	29.25	29.25	29.25
AngloAm Coal	282	281.50	282	282
AngloAm Corp	281.25	279	279.50	279.50
AngloAm Gold	304	303	303	303
AngloAm Ind	180.50	180.25	180.25	180.25
AVMIN	17.75	16.75	16.60	16.60
Barlow	49	47.75	47.75	47.75
C.G. Smith	25.60	25.25	25.20	25.20
De Beers	161.50	160	162.50	162.50
Driefontein	40.50	38.10	40.80	40.80
Fst Natl Bk	31	29.85	29.75	29.75
Gencor	18.45	18.15	18.25	18.25
GFSA	111	108	108	108
Imperial Hdgs	56	55.75	55.75	55.75
Ingwe Coal	27.50	27.25	27.50	27.50
Iscor	3.05	2.97	3.01	3.01
Johnnies Indl	59.50	58.75	58.50	58.50
Liberty Hdgs	319	317	319	319
Liberty Life	117.75	117	117.25	117.25
LibLife Strat	15.50	15.30	15.40	15.40
Minorco	103	100.50	100.50	100.50
Nampak	19	18.40	18.40	18.40
Nedcor	87	86	86	86
Rembrandt Gp	47.10	46.25	46.25	46.25
Richemont	63.25	61	60.75	60.75
Rust Platinum	72	70	69.75	69.75
SA Breweries	133.50	132.50	132.50	132.50
Samancor	50	49	50.50	50.50
Sasol	53.50	52.50	52.25	52.25
SBIC	195	193	192	192
Tiger Oats	77.75	77.25	77.75	77.75

London
FT-SE 100: 4310.50 Previous: 4298.90

	High	Low	Close	Prev.
Abbey Natl	8.01	7.89	8.01	7.91
Allied Domecq	4.32	4.25	4.32	4.28
Anglian Water	6.53	6.47	6.49	6.52
Argos	6.57	6.40	6.50	6.39
Asda Group	1.12	1.01	1.11	1.11
Assoc Br Foods	5.23	5.18	5.19	5.20
BAA	5.37	5.29	5.30	5.32
Barclays	10.14	10.01	10.14	10.10
Bass	7.99	7.87	7.98	7.86
BAT Ind	5.41	5.25	5.32	5.39
Bank Scotland	3.26	3.16	3.22	3.17
Blue Circle	4.17	4.11	4.12	4.14
BOC Group	9.10	8.98	9.05	9.03
Boots	7	6.93	7	6.97
BPB Ind	3.30	3.23	3.30	3.30
Brit Aerosp	13.52	13.38	13.52	13.41
Brit Airways	6.88	6.78	6.88	6.83
BG	1.89	1.85	1.86	1.89
Brit Land	5.43	5.33	5.37	5.41
Brit Petm	6.86	6.74	6.86	6.84
BSkyB	5.94	5.83	5.89	5.90
Brit Steel	1.51	1.47	1.50	1.49
Brit Telecom	4.50	4.43	4.46	4.42
BTR	2.55	2.49	2.55	2.51
Burmah Castrol	10.10	9.95	10.10	10.01
Burton Gp	1.51	1.49	1.49	1.50
Cable Wireless	4.87	4.78	4.87	4.83
Cadbury Schw	5.24	5.17	5.20	5.22
Carlton Comm	5.34	5.26	5.32	5.29
Coml Union	6.59	6.40	6.50	6.54
Compass Gp	6.72	6.68	6.70	6.69
Courtaulds	3.36	3.34	3.36	3.35
Dixons	5.12	5.07	5.10	5.09
Electrocomponents	4.15	4.05	4.14	4.08
EMI Group	12.81	11.87	11.87	11.89
Energy Group	5.03	4.92	5.03	4.96
Enterprise Oil	6.12	6.05	6.10	6.11
Fam Colonial	1.52	1.51	1.52	1.51
Genl Accident	8.03	7.97	8.02	8.01
GEC	3.81	3.69	3.72	3.72
GKN	9.50	9.43	9.44	9.50
Glaxo Wellcome	11.40	11.28	11.40	11.34
Granada Gp	9.04	8.85	8.93	8.89
Grand Met	5.03	4.98	5.03	4.99
GRE	2.76	2.70	2.76	2.71
Greenalls Gp	5.15	5.08	5.14	5.16
Guinness	5.27	5.02	5.15	5.05
GUS	6.39	6.33	6.33	6.38
Hays	5.21	5.14	5.20	5.19
HSBC Hldgs	14.87	14.70	14.76	14.81
ICI	7.04	6.95	7.01	7.05
Impl Tobacco	4.25	4.18	4.21	4.30
Kingfisher	6.75	6.68	6.70	6.70
Ladbroke	2.37	2.33	2.35	2.36
Land Sec	7.83	7.78	7.78	7.81
Lasmo	2.29	2.23	2.24	2.29
Legal Genl Grp	3.90	3.85	3.86	3.88
Lloyds TSB Gp	5.53	5.20	5.35	5.19
LucasVarity	1.96	1.92	1.94	1.93
Marks Spencer	4.97	4.92	4.97	4.95
MEPC	4.60	4.55	4.57	4.53
Mercury Asset	12.75	12.60	12.67	12.72
National Grid	2.24	2.18	2.20	2.23
Natl Power	5.28	5.18	5.27	5.29
NatWest	6.82	6.63	6.80	6.70
Next	6.52	6.45	6.46	6.48
Orange	2.15	2.12	2.14	2.15
P&O	6.15	6.06	6.12	6.09
Pearson	7.30	7.17	7.27	7.20
Pilkington	1.21	1.18	1.18	1.19
PowerGen	6.42	6.37	6.41	6.42
Premier Farnell	5.08	4.95	4.96	5.01
Prudential	5.74	5.67	5.74	5.69
Railtrack PP	4.49	4.38	4.43	4.51
Rank Group	4.37	4.25	4.26	4.30
Reckitt Colm	8.03	7.98	7.99	8
Redland	3.41	3.33	3.35	3.34
Reed Intl	11.30	11.07	11.30	11.10
Rentokil Initial	4.05	4	4	4.04
Reuters Hdgs	5.86	5.80	5.86	5.85
Rexam	3.22	3.18	3.18	3.22
RMC Group	9.67	9.60	9.63	9.65
Rolls Royce	2.50	2.46	2.47	2.47
Royal Bk Scot	5.33	5.29	5.32	5.30
RTZ reg	9.61	9.41	9.57	9.46
Royal & Sun All	4.44	4.38	4.39	4.41
Safeway	3.46	3.43	3.43	3.44
Sainsbury	3.31	3.21	3.31	3.21
Schroders	15.26	15.10	15.23	15.25
Scot Newcastle	6.77	6.65	6.73	6.61
Scot Power	3.80	3.73	3.73	3.79
Securicor	2.87	2.85	2.87	2.83
Severn Trent	7.52	7.43	7.48	7.48
Shell Trnsp R	10.72	10.35	10.51	10.39
Siebe	9.45	9.39	9.43	9.44
Smith Nephew	1.78	1.75	1.78	1.76
SmithKline	9.21	9.03	9.08	9.19
Smiths Ind	7.73	7.62	7.72	7.70
Sthern Elec	4.37	4.30	4.30	4.36
Stagecoach	6.09	5.93	5.93	6.10
Stand Charter	8.95	8.65	8.95	8.65
Tate & Lyle	4.43	4.40	4.42	4.42
Tesco	3.63	3.53	3.63	3.54
Thames Water	6.73	6.67	6.71	6.72
3i Group	5.01	4.95	4.98	5.01
TI Group	5.61	5.53	5.60	5.55
Tomkins	2.70	2.65	2.69	2.66
Unilever	15.83	15.65	15.83	15.73
Utd Assurance	4.71	4.55	4.55	4.66
Utd News	7.32	7.24	7.28	7.25
Utd Utilities	6.66	6.55	6.58	6.67
Vendome Lx uts	5.18	5.14	5.15	5.18
Vodafone	2.69	2.65	2.68	2.70
Whitbread	7.70	7.65	7.66	7.61
Williams Hdgs	3.16	3.12	3.13	3.13
Wolseley	4.97	4.89	4.94	4.90
WPP Group	2.49	2.46	2.49	2.47
Zeneca	18.40	17.78	18.34	17.82

Madrid
Bolsa index: 491.16 Previous: 490.71

	High	Low	Close	Prev.
Acerinox	21290	21020	21050	21300
ACESA	1645	1610	1640	1645
Aguas Barcelon	5480	5400	5480	5480
Argentaria	6370	6300	6310	6380
BBV	9800	8900	8990	9010
Banesto	1130	1110	1125	1125
Bankinter	19840	19500	19800	19830
Bco Centro Hisp	4020	3960	4020	3995
Bco Exterior	0000	0000	0000	0000
Bco Popular	27400	27200	27250	27400
Bco Santander	10020	9850	9990	9990
CEPSA	4855	4450	4770	4475
Continente	2535	2490	2515	2550
Corp Mapfre	7300	7150	7230	7310
Endesa	9450	9340	9450	9400
FECSA	1195	1160	1165	1195
Gas Natural	32400	31630	32350	32100
Iberdrola	1615	1585	1595	1625
Pryca	2568	2505	2535	2550
Repsol	6300	6200	6300	6270
Sevillana Elec	1280	1255	1265	1275
Tabacalera	7270	7110	7250	7260
Telefonica	3605	3555	3595	3565
Union Fenosa	1180	1155	1180	1180
Valenc Cement	1770	1730	1750	1750

Manila
PSE index: 2944.98 Previous: 2927.87

	High	Low	Close	Prev.
Ayala B	24.50	23.50	23.75	24
Ayala Land	26	25	25.50	26
Bk Philip Isl	164	162	162	164
C&P Homes	11.25	11	11	10.75
Manila Elec A	120	118	119	119
Metro Bank	635	620	625	620
Petron	10.25	9.70	10	9.70
PCIBank	370	345	360	340
Phil Long Dist	1560	1545	1560	1545
San Miguel B	85	83	84.50	83.50
SM Prime Hdg	7.50	7.40	7.40	7.30

Mexico
Bolsa index: 3804.12 Previous: 3798.37

	High	Low	Close	Prev.
Alfa A	45.00	44.20	44.60	45.00
Banacci B	17.70	17.58	17.58	17.80
Cemex CPO	27.45	27.35	27.45	27.45
Cifra C	11.32	11.22	11.32	11.20
Emp Moderna	40.85	40.00	40.80	39.70
Gpo Carso A1	47.80	47.45	47.65	47.50
Gpo F Bcomer	1.79	1.76	1.78	1.79
Gpo Fin Inbursa	27.20	27.00	27.10	27.20
Kimb Clark Mex	30.75	30.00	30.35	30.00
Televisa CPO	103.20	102.30	102.90	102.60
TelMex L	16.64	16.44	16.50	16.58

Milan
MIB Telematico: 12248.00 Previous: 12332.00

	High	Low	Close	Prev.
Alleanza Assic	12400	12190	12400	12375
Bca Comm Ital	3595	3500	3500	3600
Bca Fideuram	4490	4405	4420	4500
Bca di Roma	1285	1265	1276	1274
Benetton	22300	21500	21500	22100
Credito Italiano	2345	2325	2340	2360
Edison	9145	8870	9025	8925
ENI	8860	8750	8850	8800
Fiat	5795	5650	5660	5800
Generali Assic	30550	30200	30250	30650
IMI	15140	14780	14855	15100
INA	2305	2285	2300	2295
Italgas	5900	5795	5800	5750
Mediaset	7170	7040	7050	7155
Mediobanca	11040	10700	10700	10990
Montedison	1162	1136	1150	1150
Olivetti	510	491	491	502
Parmalat	2560	2500	2530	2555
Pirelli	3825	3740	3825	3790
RAS	15005	14745	14755	14960
Rolo Banca	17200	16450	16950	16900
S Paolo Torino	11850	11700	11700	11710
Stet	7825	7690	7690	7830
Telecom Italia	4415	4320	4320	4405
TIM	5175	5080	5080	5140

Montreal
Industrials index: 2823.75 Previous: 2824.66

	High	Low	Close	Prev.
Bca Mob Com	43.55	43	43½	42½
Cdn Tire A	24.80	24.70	24.70	24.65
Cdn Util A	32¼	32	32.10	31¾
CT Finl Svc	N.T.	N.T.	N.T.	32¾
Gaz Metro	16.95	16.90	16.95	16.95
Gt-West Lifeco	23¼	23	23¼	23.15
Imasco	36½	36.20	36.45	36¼
Investors Grp	24.15	24.10	24.15	24.10
Loblaw Cos	17¼	17¼	17¼	17¼
Natl Bk Canada	15.20	14.95	15	15
Power Corp	27¾	27½	27.55	27.55
Power Finl	26.20	25½	26.20	25
Quebecor B	24.20	24.05	24.05	24.20
Rogers Comm B	7.30	7.15	7.15	7.15
Royal Bk Cda	53.30	52.85	52.95	53

Oslo
OBX index: 596.48 Previous: 594.05

	High	Low	Close	Prev.
Aker A	172	171	171	170
Bergesen Dy A	144	143	144	142
Christiania Bk	23.90	23.70	23.80	23.70
Den norske Bk	27.10	26.80	27.10	27
Elkem	129	126.50	129	128
Hafslund A	46	45.50	46	45
Kvaerner Asa	352	347	351	345
Norsk Hydro	332	329	332	328.50
Norske Skog A	235	232	233	231
Nycomed A	108	104	108	104.50
Orkla Asa A	575.50	569	573	575
Petim GeoSvc	279	276.50	279	280
Saga Petim A	117	112	116.50	115
Schibsted	127	127	127	127
Transocean Off	442	430	442	440
Storebrand Asa	44.80	44.10	44.60	44.60

Paris
CAC-40: 2547.56 Previous: 2615.18

	High	Low	Close	Prev.
Accor	877	856	857	888
AGF	196.90	191.10	194.50	199.40
Air Liquide	864	840	842	870
Alcatel Alsth	696	676	684	694
Axa-UAP	357.30	353.50	355.20	356.50
Bancaire	757	731	731	769
BIC	892	853	867	899
BNP	231	223.50	223.50	232.80
Canal Plus	1110	1087	1105	1124
Carrefour	3513	3433	3449	3553
Casino	262	257.50	260	262
CCF	255	247	248	258
Cetelem	668	633	633	674
Christian Dior	855	831	846	857
CLF-Dexia Fran	566	542	542	564
Credit Agricole	1266	1256	1256	1255
Danone	875	850	859	890
Elf-Aquitaine	553	543	547	562
Eridania BS	857	821	843	850
Eurodisney	10.05	9.95	10.05	10.05
Eurotunnel	6.55	6.45	6.50	6.60
Gen. Eaux	762	747	754	771
Havas	415.40	402.20	405	415
Imetal	798	782	787	802
Lafarge	389	374	375.10	384.80
Legrand	995	956	965	1010
L'Oreal	1951	1904	1915	1978
LVMH	1355	1335	1347	1363
Lyon. Eaux	531	525	529	532
Michelin B	326.90	321.30	324	330
Paribas A	365	357.30	357.30	364.50
Pernod Ricard	306.70	301.50	301.60	312.50
Peugeot Cit	600	585	586	611
Pinault-Print	2399	2315	2336	2448
Promodes	1927	1890	1903	1948
Renault	136.60	129	130	137.80
Rexel	1640	1570	1585	1617
Rh-Poulenc A	183.50	178	179.80	184.10
Sanofi	529	513	522	530
Schneider	320	312.20	312.50	324.90
SEB	995	969	969	1004
SGS Thomson	394.50	385	385.60	389.10
Ste Generale	636	616	616	647
Sodexho	2761	2701	2701	2770
St Gobain	772	744	745	774
Suez	281.90	279.10	280.40	282.60
Synthelabo	685	669	671	682
Thomson CSF	186.10	183.50	183.70	187
Total B	467	461.50	462.80	473.90
Usinor	89.80	89.30	89.50	90.80
Valeo	357.90	351.10	354.20	356

São Paulo
Bovespa index: 9418.84 Previous: 9418.63

	High	Low	Close	Prev.
Bradesco Pfd	8.95	8.60	8.85	8.90
Brahma Pfd	720.00	715.00	720.00	719.99
Cemig Pfd	46.00	45.50	45.80	46.50
CESP Pfd	57.01	56.81	56.91	57.00
Copel	N.T.	N.T.	N.T.	15.81
Eletrobras	451.00	447.00	447.00	449.00
Itaubanco Pfd	580.00	577.00	577.00	578.50
Light Servicios	456.00	453.00	456.00	453.00
Lightpar	318.00	315.00	318.00	315.00
Petrobras Pfd	208.50	203.00	207.00	204.00
Paulista Luz	163.00	162.40	162.70	162.50
Sid Nacional	38.00	37.60	38.00	37.50
Souza Cruz	8.50	8.45	8.45	8.50
Telebras Pfd	117.30	116.30	116.30	116.60
Telemig	162.50	161.70	161.80	162.00
Telerj	173.50	170.070	173.00	172.60
Telesp Pfd	298.00	295.00	295.00	296.00
Unibanco	34.00	33.090	33.50	35.80
Usiminas Pfd	1.17	1.15	1.16	1.16
CVRD Pfd	27.10	25.40	26.10	25.90

Seoul
Composite index: 695.67 Previous: 694.76

	High	Low	Close	Prev.
Dacom	184000	100000	102000	102000
Daewoo Heavy	4480	4390	4390	4400
Hyundai Eng.	18500	17900	18300	18000
Kia Motors	17100	15600	16300	16800
Korea El Pwr	27000	26300	26900	27000
Korea Exch Bk	5450	5340	5390	5450
Korea Mob Tel	455000	450000	455000	448000
LG Semicon	28800	27500	27800	28200
Pohang Iron St	53000	51800	53000	52000
Samsung Display	41800	40700	41200	41500
Samsung Elec	61700	59500	60200	61000
Shinhan Bank	10500	10300	10300	10300

Stockholm
SX 16 index: 2826.60 Previous: 2844.89

	High	Low	Close	Prev.
AGA B	107	105	106.50	107
ABB A	873	857	860	872
AssiDoman	194	190	191	193.50
Astra A	348	342.50	342.50	347.50
Atlas Copco A	197	195	196.50	196.50
Autoliv	295	288	289	295
Electrolux B	489	484	484	487
Ericsson B	251	248.50	250	251.50
Hennes B	1089	1077	1088	1080
Incentive A	501	496	496	511
Investor B	349	341.50	341.50	344
MoDo B	218	214	218	214
Nordbanken	277.50	254	258.50	260
Pharm/Upjohn	280	274	278	273
Sandvik B	192	190	191.50	190.50
Scania B	188	185.50	185.50	188
SCA B	170.50	166.50	167	170
S-E Banken A	81	80	80	81
Skandia Fors	219	215.50	215.50	217.50
Skanska B	336.50	330	333.50	332
SKF B	167.50	165	166	167
Sparbanken A	137	134	136.50	135.50
Stadshypotek A	190	190	190	190
Stora A	101	98	101	97.50
Sv Handles A	227	220	221	223.50
Volvo B	195.50	193	193	194

Sydney
All Ordinaries: 2442.40 Previous: 2413.20

	High	Low	Close	Prev.
Amcor	8.26	8.14	8.14	8.23
ANZ Bking	8.11	7.89	8.10	7.88
BHP	17.17	16.90	17.16	16.90
Boral	3.83	3.73	3.83	3.74
Brambles Ind.	22.10	21.90	22	22.17
CBA	13.50	13.24	13.50	13.26
CC Amatil	14.35	14.09	14.34	14.15
Coles Myer	6.30	6.07	6.23	6.09
Comalco	6.25	6.15	6.20	6.24
CRA	19.10	18.85	19.03	18.90
CSR	4.75	4.65	4.73	4.67
Fosters Brew	2.68	2.60	2.67	2.61
Goodman Fld	1.75	1.72	1.73	1.75
ICI Australia	11.90	11.73	11.89	11.75
Lend Lease	24.80	24.30	24.80	24.40
MIM Hdgs	1.75	1.68	1.74	1.65
Nat Aust Bank	16.60	16.23	16.51	16.28
Nat Mutual Hdg	1.91	1.89	1.90	1.90
News Corp	6.02	5.88	6	5.86
Pacific Dunlop	3.33	3.19	3.33	3.23
Pioneer Intl	4.40	4.34	4.36	4.38
Pub Broadcast	6.72	6.63	6.72	6.67
St George Bank	7.94	7.75	7.92	7.77
WMC	7.75	7.68	7.75	7.65
Westpac Bking	6.81	6.69	6.78	6.70
Woodside Pet	9.82	9.57	9.82	9.55
Woolworths	3.80	3.74	3.78	3.78

Taipei
Stock Market index: 8326.53 Previous: 8492.10

	High	Low	Close	Prev.
Cathay Life Ins	163	160	160	161
Chang Hwa Bk	113	110	111	110.50
Chiao Tung Bk	73.50	72	72	73
China Develpmt	117.50	114	114	116
China Steel	29.90	29	29.10	29.40
First Bank	113	110	110.50	110
Formosa Plastic	70	68	68	70
Hua Nan Bk	103	100.50	102	101
Intl Comm Bk	71.50	69	70	70.50
Nan Ya Plastics	71	68.50	69.50	70
Shin Kong Life	102	99	99.50	100
Taiwan Semi	90.50	84.50	84.50	90.50
Tatung	56.50	55	55	56
Utd Micro Elec	70.50	66	66	70.50
Utd World Chin	72	70.50	71.50	71

Tokyo
Nikkei 225: 18352.14 Previous: 18093.41

	High	Low	Close	Prev.
Ajinomoto	995	975	975	985
All Nippon Air	720	707	710	710
Amway	3450	3400	3430	3450
Asahi Bank	795	759	782	757
Asahi Chem	683	658	671	660
Asahi Glass	1110	1100	1110	1110
Bk Tokyo Mitsu	1980	1930	1970	1930
Bk Yokohama	529	519	525	519
Bridgestone	2470	2440	2460	2470
Canon	2810	2750	2750	2740
Chubu Elec	2090	2060	2080	2040
Chugoku Elec	2080	2040	2080	2070
Dai Nipp Print	2220	2180	2210	2190
Daiei	604	590	594	590
Dai-Ichi Kang	1370	1310	1350	1300
Daiwa Bank	426	399	415	397
Daiwa House	1410	1390	1400	1410
Daiwa Sec	799	778	785	775
DDI	8600a	8540a	8570a	8520a
Denso	2630	2560	2590	2580
East Japan Ry	5470a	5390a	5460a	5390a
Eisai	2200	2170	2190	2200
Fanuc	4240	4160	4200	4240
Fuji Bank	1490	1400	1480	1400
Fuji Photo	4340	4280	4310	4260
Fujitsu	1290	1270	1280	1270
Hachijuni Bk	1140	1120	1140	1120
Hitachi	1140	1130	1130	1130
Honda Motor	3720	3640	3650	3680
IBJ	1270	1210	1270	1220
IHI	472	459	472	467
Itochu	553	539	549	550
Ito-Yokado	6200	5940	6060	6150
JAL	475	466	473	460
Japan Tobacco	8220a	8120a	8190a	8120a
Jusco	3640	3600	3610	3610
Kajima	541	518	530	520
Kansai Elec	2200	2170	2200	2180
Kao	1310	1300	1310	1310
Kawasaki Hvy	502	495	501	500
Kawa Steel	371	365	371	364
Kinki Nipp Ry	714	710	713	713
Kirin Brewery	984	975	979	972
Kobe Steel	216	210	216	211
Komatsu	886	874	881	874
Kubota	552	545	547	545
Kyocera	7380	7320	7350	7380
Kyushu Elec	1990	1960	1960	1960
LTCB	387	358	375	355
Marubeni	470	464	467	465
Marui	1960	1900	1950	1910
Matsu Comm	3140	3080	3100	3090
Matsu Elec Ind	2000	1970	1970	1980
Matsu Elec Wk	1190	1170	1190	1160
Mitsubishi	1140	1100	1140	1120
Mitsubishi Ch	417	400	410	393
Mitsubishi El	708	695	695	697
Mitsubishi Est	1510	1470	1500	1480
Mitsubishi Hvy	811	798	810	795
Mitsubishi Mat	910	899	905	910
Mitsubishi Tr	1310	1210	1280	1220
Mitsui	927	921	922	924
Mitsui Fudosn	1400	1370	1390	1370
Mitsui Trust	686	635	662	620
Murata Mfg	4480	4470	4470	4490
NEC	1510	1480	1500	1480
Nikon	1790	1740	1770	1740
Nikko Sec	649	632	642	636
Nintendo	9030	8980	9010	8960
Nipp Express	833	818	833	815
Nippon Oil	543	533	541	526
Nippon Steel	361	356	358	357
Nissan Motor	745	735	741	732
NKK	260	255	258	256
Nomura Sec	1300	1250	1290	1260
NTT	8910a	8800a	8870a	8840a
NTT Data	3510b	3470b	3500b	3480b
Oji Paper	604	586	600	588
Osaka Gas	297	287	297	290
Ricoh	1470	1430	1450	1430
Rohm	9100	9070	9100	9020
Sakura Bk	700	674	690	671
Sankyo	3280	3220	3260	3200
Sanwa Bank	1370	1300	1350	1290
Sanyo Elec	454	440	452	436
Secom	7260	7200	7250	7240
Seibu Rwy	5850	5800	5850	5780
Sekisui Chem	1140	1110	1140	1120
Sekisui House	1110	1090	1110	1090
Seven-Eleven	7900	7760	7760	7890
Sharp	1540	1510	1520	1510
Shikoku El Pwr	1920	1900	1920	1920
Shimizu	566	543	550	536
Shin-etsu Ch	2440	2400	2430	2450
Shiseido	1610	1590	1600	1600
Shizuoka Bk	1120	1090	1110	1110
Softbank	7940	7790	7830	7600
Sony	8920	8850	8850	8810
Sumitomo	842	811	840	830
Sumitomo Bk	1470	1370	1460	1360
Sumit Chem	512	505	509	506
Sumitomo Elec	1710	1690	1710	1690
Sumit Metal	298	290	298	292
Sumit Trust	1020	949	1010	957
Taisho Pharm	2990	2910	2960	2890
Takeda Chem	2790	2750	2790	2750
TDK	8730	8630	8680	8630
Tohoku El Pwr	1970	1940	1970	1970
Tokai Bank	922	879	910	873
Tokio Marine	1220	1190	1220	1200
Tokyo El Pwr	2200	2170	2200	2200
Tokyo Electron	4540	4470	4540	4490
Tokyo Gas	297	292	297	296
Tokyu Corp.	630	613	627	624
Tonen	1210	1190	1200	1190
Toppan Print	1610	1590	1590	1580
Toray Ind	769	754	767	753
Toshiba	712	703	703	706
Tostem	2730	2690	2710	2660
Toyo Trust	766	721	766	716
Toyota Motor	3390	3340	3350	3340
Yamanouchi	2640	2600	2640	2640

a: x 100; b: x 1,000

Toronto
TSE Industrials: 5828.73 Previous: 5828.62

	High	Low	Close	Prev.
Abitibi Price	22¼	21¾	21.80	21¾
Alberta Energy	29.10	28.90	29.10	28.80
Alcan Alum	45.60	45.15	45.30	44.85
Anderson Expl	16¾	16½	16¾	16.65
Bk Montreal	48.45	48.10	48.35	48.30
Bk Nova Scotia	51½	51.10	51.40	51¼
Barrick Gold	33.45	32.85	32.95	33.20
BCE	63.70	63.05	63.10	63.15
BC Telecomm	29¾	29.55	29.65	29.60
Biochem Pharm	27½	25.95	25.95	28.60
Bombardier B	27.10	26.80	26.95	26¾
Brascan A	30.40	30.20	30¼	30.40
Bre-x Minerals	2.44	2.22	2.43	2.30
Cameco	50.20	47	48½	46.95
CIBC	31¼	31.15	31.30	31.60
Cdn Natl Rail	49.70	49.10	49.60	49.60
Cdn Nat Res	34.10	33.40	34	33.70
Cdn Occid Pet	27.35	27.05	27.30	27.10
Cdn Pacific	33½	33.10	33.15	33.10
Cominco	35.80	35.60	35.65	36
Dofasco	24	23.90	23.95	23.90
Domtar	11	10.90	10.90	11.10
Donohue A	25.55	25.30	25.55	25.40
Du Pont Cda A	33	32	33	32
Edper Group	23	22.85	23	23.10
EuroNev Mng	41.85	41	41.30	41.45
Fairfax Finl	298	296½	297½	297
Falconbridge	28	27.85	27.95	27.90
Fletcher Chall A	21¼	21.60	21¾	21¾
Franco Nevada	67¼	67	67.20	67¼
Gulf Cda Res	9½	9.35	9.45	9½
Imperial Oil	63.40	63.05	63¼	63.35
Inco	43.60	43.30	43.60	43.45
IPL Energy	41	40.80	40.85	40.80
Laidlaw B	18.35	18.10	18.20	18¼
Loewen Group	40	39.90	40	40
Macmill Bld	19.65	19½	19½	19.40
Magna Intl A	70¾	70.05	70.70	69.90
Methanex	12¼	12.10	12.15	12.20
Moore	28¼	28.10	28.15	28.20
Newbridge Net	42.65	41¼	41¼	41.70
Noranda Inc	29.20	28.80	29.05	28.85
Norcen Energy	27.95	27	27½	27.95
Nthern Telecom	93½	92¾	92¾	92.60
Nova	11.55	11.15	11.20	11½
Onex	23.20	23.15	23.20	23.30
Pancdn Petlm	56.35	56	56	55¾
Petro Cda	21.60	21.30	21.35	21.60
Placer Dome	23.95	23.40	23.55	23¾
Poco Petlm	13½	13½	13½	13.65
Potash Sask	106.90	105.85	105.85	106½
Renaissance	40½	40.35	40.40	40½
Rio Algom	34.20	32½	34.20	32½
Rogers Cantel B	23.20	23.20	23.20	23.20
Seagram Co	53	52.40	53	52.20
Shell Cda A	54.95	54	54½	54¾
Stone Consold	22	21¾	21.85	21.80
Suncor Energy	63.65	62.90	63¼	62¾
Talisman Eny	41	40½	40.65	40.55
Teck B	29.10	28.90	28.95	28.95
Teleglobe	39½	39.30	39½	39¾
Telus	19½	19.45	19¾	19½
Thomson	28.35	28	28.30	28¼
TorDom Bank	37.80	37.60	37¾	37.60
Transalta	15.60	15.35	15.45	15.45
TransCda Pipe	26.10	25.90	26.05	26.05
Trimark Finl	42	41.80	42	41.80
Trizec Hahn	29.95	29.45	29.85	29¾
TVX Gold	9.05	8.95	9	8.95
Westcoast Eny	24.45	24¼	24.45	24¼
Weston	74	74	74	74½

Vienna
ATX index: 1191.93 Previous: 1179.48

	High	Low	Close	Prev.
Boehler-Uddeh	850	832.75	837.80	850.45
Creditanst Pfd	463	459.90	461	464.60
EA-Generali	3150	3095	3139	3070
EVN	1579	1543	1579	1556.90
Flughafen Wien	525.10	512.20	517.95	525.05
OMV	1322	1280	1319.90	1283
Oest Elektriz	847	844.60	845.20	846
VA Stahl	496.85	484.05	492	489.50
VA Tech	1824	1780	1824	1782.50
Wienerberg Bau	2189	2130	2189	2145

Wellington
NZSE-40 index: 2257.31 Previous: 2252.01

	High	Low	Close	Prev.
Air NZ Zeald B	4.02	4.00	4.02	4.00
Brierly Invt	1.29	1.27	1.29	1.28
Carter Holt ord	3.19	3.14	3.19	3.13
Fletch Ch Bldg	4.13	4.06	4.08	4.15
Fletch Ch Eny	4.26	4.20	4.22	4.27
Fletch Ch Forst	1.88	1.85	1.88	1.87
Fletch Ch Paper	2.91	2.90	2.91	2.90
Lion Nathan	3.48	3.44	3.48	3.45
Telecom NZ	6.56	6.52	6.56	6.54
Wilson Horton	11.45	11.40	11.40	11.45

Zurich
SPI index: 2969.22 Previous: 2952.25

	High	Low	Close	Prev.
ABB B	1722	1704	1709	1721
Adecco B	477	471	475	472.50
Alusuisse R	1196	1179	1185	1190
Ares-Serono B	1844	1825	1835	1840
Atel R	866	866	866	900
Baer Hdg B	1718	1707	1715	1716
Baloise Hdg R	2905	2880	2890	2895
BK Vision	875	865	874	870
Clariant R	809	795	807	806
Crd Suisse Gp R	166.50	163	165	165.50
Elektrowatt B	533	532	533	533
Ems-Chemie	5910	5830	5885	5910
ESEC Hdg	4250	4090	4250	4060
Holderbank B	1167	1139	1163	1144
Liechtenst LB B	474	470	473	471
Nestle R	1770	1738	1769	1745
Novartis R	1892	1834	1890	1835
Oerlikn Bueh R	149.25	146.50	148	148.50
Pargesa Hld B	1739	1700	1739	1705
PharmaVisn B	700	689	695	707
Richemont A	2060	2030	2051	2005
Pirelli PC	231	229	229	232
Roche Hdg PC	11565	11470	11505	11745
SBC R	301	297	299.50	298
Schindler PC	1838	1830	1832	1827
SGS B	3090	3045	3045	3065
SMH B	805	799	799	805
Sulzer R	1013	989	1012	994
Swiss Reins R	1555	1541	1552	1549
Swissair R	1350	1285	1349	1296
UBS B	1334	1314	1333	1328
Winterthur R	1024	985	1021	999
Zurich Assur R	457	449.50	455	452

The Trib Index

Prices as of 3:00 P.M. New York time

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	149.87	+1.10	+0.74	+0.49
Regional Indexes				
Asia/Pacific	108.41	+1.50	+1.40	-12.17
Europe	159.49	+0.94	+0.59	-1.06
N. America	173.21	+1.37	+0.80	+6.98
S. America	139.77	-0.62	-0.44	+22.14
Industrial Indexes				
Capital goods	177.77	+2.15	+1.22	+4.01
Consumer goods	172.14	+0.99	+0.58	+6.63
Energy	175.64	+1.43	+0.82	+2.89
Finance	108.64	+1.68	+1.57	-6.71
Miscellaneous	153.44	+0.62	+0.41	-5.16
Raw Materials	178.28	+0.09	+0.05	+1.65
Service	141.25	-0.15	-0.11	+2.86
Utilities	130.34	+0.10	+0.08	-9.15

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

NYSE

Friday's 4 P.M. Close
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

EGYPT

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– President Mohamad Hosni Mubarak
Keynote address at the World Economic Forum Davos – February 2, 1997

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Continued on Page 16

ASIA/PACIFIC

S&P Cuts Rating at Korea First Over Loans

Compiled by Our Staff From Dispatches

SEOUL — Standard & Poor's Corp. lowered its credit rating on Korea First Bank to one notch above junk status Friday because of the bank's exposure to Hanbo Group and Sammi Group, two major recent bankruptcies.

"This rating action reflects the significant deterioration of KFB's asset quality following the bankruptcies of two major customers," the agency said.

Korea First's exposure to Hanbo of about 1.1 trillion won ($1.23 billion) "roughly equals the value of the bank's consolidated equity," the agency said.

Last month, Sammi Group, another major customer of Korea First, went bankrupt with $2.2 billion of debt.

The rating agency lowered Korea First Bank's long-term debt and counterparty ratings to BBB-minus from BBB-plus and cut its short-term debt and counterparty ratings to A-3 from A-2.

The agency also said the outlook for the bank's long-term debt was negative.

S&P's move will lift borrowing costs at Korea First, which was South Korea's most profitable bank until 1994, when its loan portfolio started to turn sour. Shares in Korea First Bank fell 30 won, to 3,340.

(AFP, Bloomberg)

China's Quarterly Growth Slips a Notch

Compiled by Our Staff From Dispatches

BEIJING — China announced on Friday a lower-than-expected economic growth of 9.4 percent year-on-year in the first quarter of 1997, compared with 10.2 percent in the same period a year ago, but officials swiftly dismissed fears of any serious downturn.

The country's gross domestic product totaled 1.468 trillion yuan ($176.32 billion) in the first three months of the year, the State Statistics Bureau said. Economic growth in last year's fourth quarter was 9.9 percent.

However, the statistics bureau's chief economist, Qiu Xiaohua, denied any suggestion the national economy was in difficulty.

"The growth rate was a little lower than last year, but it is still higher than the national target for 1997, which is 8 percent," Mr. Qiu said.

The rate was lower than previous government estimates, which had ranged from 10 to 11 percent.

Some of the downturn was attributed to companies reducing bloated inventories that were built up in 1996. If de-stocking is braking growth, however, companies could emerge with less money tied up in warehoused goods, more cash on hand, and higher profits.

"This is an inventory-adjustment period," said Chen Xingdong, a Beijing-based economist with Crosby Securities. "I expect it will continue to hold back growth until the third quarter."

The de-stocking kept markets brimming with commodities and o helped tame the inflation rate. The consumer price index stood at 5.2 percent for the first quarter, down from 9.6 percent a year ago.

The Chinese economy grew 9.7 percent in the whole of 1996.

A statistics bureau spokesman, Ye Zhen, also pointed to what he described as "encouraging" capital flow figures for the first quarter, including direct foreign investment of $4.55 billion — an increase of 0.37 percent over the first three months of 1996.

The country's foreign trade performance was marked by a significant export surge of 25.7 percent over the first quarter of 1996, while imports were down 1.8 percent to leave a trade surplus for the quarter of $6.7 billion.

That performance is likely to result in increased international pressure on China to open its markets wider. *(AFP, Reuters, Bloomberg)*

Korea's New Star Moves to Block Hostile Bid

Reuters

SEOUL — New Star Trading Co. said Friday it was seeking friendly bids to try to thwart a hostile takeover by the Savoy Hotel.

New Star's reaction followed the announcement by the Seoul-based Savoy Hotel that it would make a bid for 51 percent of the garment manufacturer. A hotel executive said Savoy would soon apply for tender offers. If Savoy Hotel's bid were to succeed, New Star would become South Korea's first listed company to be acquired in a hostile takeover.

But Kim Hong Kun, president of New Star Trading, said the company was safe from any hostile takeover bid and would make every effort to defend itself.

"I'm very optimistic we will be able to secure more than a 50 percent stake in our company, taking into account the 40 percent stake friendly to us and the additional 5 percent from a buy-back scheme," Mr. Kim said. He did not elaborate on the friendly 40 percent stake.

New Star said it would buy back 5 percent of its own common shares between April 21 and July 20.

"The buy-back decision is aimed at protecting our management from a corporate raider," said Kim Hong Gil, an executive of New Star.

The company earlier offered a 1-for-100 bonus issue on May 2 to try to raise the existing owner's stake and to seek a chance to analyze the shareholding structure.

Savoy startled the Seoul stock market Tuesday when it announced that the hotel had raised its holding in New Star to 24.7 percent from 13.59 percent from purchases in the open market. The company said it would buy an additional 26.3 percent stake soon.

New Star's share price, which hit a low of 18,700 ($20.93) earlier this year, closed at a 1997 high of 66,500 won Friday, up from 61,600 won.

Ex-Nomura Chief Denies Role in Gang Payment

Compiled by Our Staff From Dispatches

TOKYO — A former president of Nomura Securities Co. denied Friday that either he or other top executives had any personal involvement in alleged illegal payments made to the racketeers known as *sokaiya*.

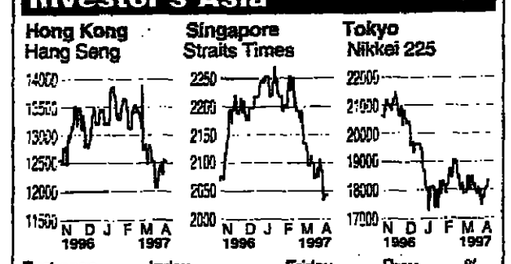
"As the president gives authority to operating officers and does not receive daily transaction reports, I have no knowledge," the former official, Hideo Sakamaki, told a parliamentary committee.

Mr. Sakamaki, who resigned from Nomura on March 14, said he did not know until a month before he stepped down that Nomura employees had improperly channeled profits to a client's account. "I am deeply sorry for defiling the sacred market," he said.

Nomura disclosed March 6 that two executives had apparently entered into illegal trades to generate profits to pay off sokaiya, gangsters who blackmail companies with threats to disrupt shareholder meetings. The two executives resigned last month.

Nomura is suspected of having channeled 38 million yen ($302,067) in profit from illegal trading to a real-estate firm owned by the brother of a former sokaiya racketeer. *(AFP, Bloomberg)*

Investor's Asia



Exchange	Index	Friday Close	Prev. Close	% Change
Hong Kong	Hang Seng	12,541.18	12,516.23	+0.20
Singapore	Straits Times	Closed	2,043.20	-
Sydney	All Ordinaries	2,442.40	2,413.20	+1.21
Tokyo	Nikkei 225	18,352.14	18,093.41	+1.43
Kuala Lumpur	Composite	Closed	1,104.58	-
Bangkok	SET	700.23	701.76	-0.22
Seoul	Composite Index	695.67	694.76	+0.13
Taipei	Stock Market Index	8,326.53	8,492.10	-1.95
Manila	PSE	2,944.98	2,927.87	+0.58
Jakarta	Composite Index	Closed	637.59	-
Wellington	NZSE-40	2,257.31	2,252.01	+0.24
Bombay	Sensitive Index	Closed	3,896.52	-

Source: Telekurs International Herald Tribune

Very briefly:

• **Japan** said it would ask the **World Trade Organization** on April 30 to establish a panel on its complaint that **Indonesia's** national car policy is incompatible with the most-favored-nation principle and other WTO rules.

• **Mitsukoshi Ltd.** and **Takashimaya Co.**, Japan's two largest department-store operators, posted sharp increases in annual profit, with Mitsukoshi parent pretax profit up 92.4 percent, at 10.7 billion yen ($84.9 million), and Takashimaya's up 55 percent, at 15.941 billion yen.

China Light & Power Co. said net profit for the six months ended March 31 rose 7.3 percent from a year ago, to 2.64 billion Hong Kong dollars ($340.7 million).

• **Telstra Corp.** will pay a special dividend of 3 billion Australian dollars ($2.32 billion) to the Australian government as one feature of its partial privatization.

• **Carpenter Pacific Resources NL** said drilling at the Mt. Kare gold prospecting site in Papua New Guinea showed similarities to the deposit at Porgera, the country's largest gold mine. *AFP, Bloomberg, Reuters*

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THE MONEY REPORT

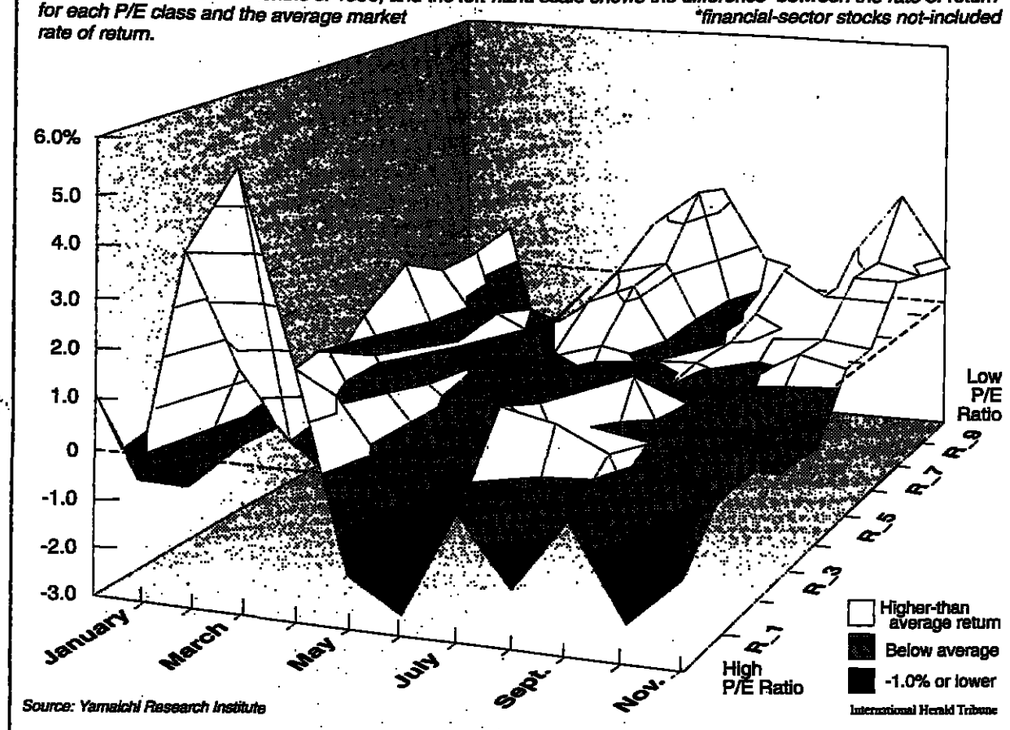
SATURDAY-SUNDAY, APRIL 19-20, 1997
PAGE 17

MONDAY: SPORTS

Identifying the Winners in Corporate Japan

The graphic shows how stocks with low price-to-earnings ratios generally outperformed other equities listed on the first section of the Tokyo Stock Exchange in 1996. The shares were divided into 10 groups ranging from those with the highest P/E ratios to the lowest (right-hand scale, with the lowest P/E stocks at the rear). The front scale shows the first 11 months of 1996, and the left-hand scale shows the difference between the rate of return for each P/E class and the average market rate of return.*

**financial-sector stocks not-included*



Source: Yamaichi Research Institute

A Market No Longer in Lockstep

'Senbetsuka' Strategy Focuses on the Winners and Losers

JAPAN has had little to offer international investors of late. The country is beset by a triple-threat combination of a fragile stock market, rock-bottom interest rates and a wobbling currency.

But the equity market is undergoing a change that offers hope to investors who choose the right stocks at the right time. It is called *senbetsuka*, or growing gaps in performance between winners and losers, and the phenomenon is bringing dynamism to a market that traditionally moved like a single mass.

At a sectoral level, emerging triumphant are industries with proven credentials in international competition, such as electronics and automobiles. Those moving down the hill, including banking and construction, represent sectors that basked in government protectionism that ensured the survival of the weak.

The senbetsuka phenomenon is developing at a more micro level, as well. When the Nikkei average began sinking in early January, Shuhei Abe, president of Sparx Asset Management Co., could not help notice advancers that defied all odds and sprinted ahead when relevant sector indexes edged down. Sony Corp.'s shares, and those of Honda Motor Co. and Toyota Motor Corp., rose to record or near-record levels, while their industry peers lost ground.

"In the past, we have never seen certain players in a sector renew their highs while the rest wallowed," Mr. Abe said. "It shows that senbetsuka is progressing even at a micro dimension."

This win-loss market dynamism is ubiquitous. Sankyo Co. and Takeda Co., have proven star players in the pharmaceutical world while Shin-Etsu Chemical Co. has widened its lead in the chemical industry. Jusco emerged as a stellar performer in the supermarket industry while TDK Corp. dwarfed its rivals in the electric-parts field when its shares rose 43 percent last year.

"The known trend of companies going up and down in step with the rest of the sector will disintegrate," said Kunihiko Nakade, an analyst at Daiwa Securities. "That means, people are no longer going to say, 'Honda stock is bad because the automobile industry is bad' or 'Daiwa issues are no good because the securities industry is in a slump.' "

An important factor in the new market efficiencies is the dissolution of cross shareholdings among corporations, which is accelerating in part because companies are selling investments to help finance their debts.

Polarization in company performances also coincides with accelerating government efforts to reduce industry regulations, which had tended to hold back competition. As the government unleashes laissez-faire principles into the market, observers said, the win-loss contrast will become even more apparent.

Precisely what defines a winner, then? Analysts have recently identified a breed of high-performing shares known as international blue chips.

To qualify as one, a company must possess superior technology honed by international competition, a worldwide revenue base, and high disclosure standards equivalent to those in the United States.

Shares of these companies, analysts said, have outperformed others chiefly on their strength to win in a worldwide competition and to generate large and steady cash flows. Their stocks performed well, so the argument goes, simply because investors rewarded individual corporate efforts by giving them fair marks. The market had not been efficient enough to allow this to happen in the past. Additionally, those companies that release information clearly and promptly are drawing investor attention.

"Good disclosure these days often translates into higher valuation," said Mitsuhiro Nakano, general manager of investment research at Daiwa Research Institute. Mr. Nakano said that even among such poor-performing sectors as banking, institutions that adopt stricter criteria in disclosure often gain investors' trust. "An institution with good disclosure, for example, would see its stock price fall 10 percent where a poor discloser would suffer a 20 percent loss."

In an increasingly vibrant market that demands enhanced investor prudence, Yamaichi Research Institute, an affiliate of Yamaichi Securities Co., suggests that investors look for companies with low price/earnings ratios. Among them, buy international blue chips with good prospects during market dips or hunt for companies that could evolve into international blue chips.

Many of the international blue-chips whose share prices soared recently have managed to keep the price/earning ratios relatively low. Therefore, do not let shares with historic highs scare you off, says Hitoshi Ishiyama, a strategist at Yamaichi Research, because many of the these high-performing stocks, such as Sony and Honda, are sustained by profits at historic levels.

What about would-be international

Continued on Page 19

Shopping for Bargains in Tokyo

A Stock-Picker's Market Emerges From the Burst Bubble

By Miki Tanikawa

ARE TOKYO STOCKS forever banished from your mind as potential investments? Should they be? Despite the miserable performance of the Japanese stock market for the 1990s so far, those are questions many analysts in Tokyo would answer in the negative, thanks to the *senbetsuka* phenomenon, in which all Japanese stocks are not treated as equals. Heeding senbetsuka means listening to individual stories rather than chasing after broad market trends.

Two companies that have been standout financial performers and whose stocks merit close review, observers said, are Sony Corp. and Honda Motor Co. Analysts praised them for their bottom-line-oriented managements and concern for shareholders' interests — a rarity in Japan — and made a case for further stock-price gains.

Sony, perhaps the most readily recognized Japanese brand, has cemented a superior position in the global market for audiovisual and other electronic products. The company and its subsidiaries reported a hefty year-on-year rise in net profit of 138 percent for the nine months ended in December 1996, and the company is expected to post a record profit for the year ended in March.

The shares climbed 22.6 percent in 1996, far outdoing the Topix index's annual decline of 6.8 percent and a lackluster 1.9 percent for the overall electronics sector.

In a boon to people who belatedly wish to share in Sony's prosperity, the issues still trade at attractively low valuations. Morgan Stanley & Co. has set a target price of 10,000 yen for Sony shares, which values the equity at 29 times estimated per-share earnings, above the current multiple of 25.5, with the stock at 8,850.

It is not without risk. Sony's profitability, like many Japanese manufacturers, often depends on foreign-exchange rates, which have recently moved in its favor. If the yen were to strengthen, Sony's results would be pressured.

Another constraint on the company's stock is that it has issued convertible bonds , which could bring significant numbers of new shares onto the market. Two issues in particular loom as problems: each was a 300 billion yen deal, one floated in February 1990, the other six years later. The first issue carries a conversion price of 7,990 yen per share, while the second is only 6,519 yen.

These factors notwithstanding, Sony is often a preferred choice for long-term ownership because of what is perceived as a wise, innovative and far-sighted management. Among other trailblazing moves in Japan, Sony was the first company with a New York Stock Exchange listing, one of the first big corporations to invite a foreigner onto its board, a pioneer in stimulating internal competition by creating independent profit centers and the first to offer executive bonuses in the form of stock warrants.

"Sony prospects well because of the quality of its management," said Hitoshi Ishiyama, a strategist at Yamaichi Research Intitute. "It's a model company that other Japanese companies would do well to emulate."

Honda enjoys a similarly rosy profit outlook and a low valuation. The third-biggest Japanese carmaker saw its net profit surge nearly fourfold during the nine-month period ended in December, sending share prices up 55 percent during 1996. The stock currently trades at 3,650 yen.

Despite the run-up, Honda's stock is attractively priced from a valuation perspective, with the price-to-expected-earnings multiple at 13, which represents a 30 percent discount to the stock's 20-year average multiple, said Takaki Nakanishi, auto analyst at Merrill Lynch Japan Inc. Mr. Nakanishi reckoned that Honda's shares should trade at 4,500, a level where its multiple settles back to its traditional level.

Stephen Volkmann, an analyst at Morgan Stanley, said Honda's strength is in its limited stable of high-quality car platforms, which allows it to cater to diverse consumer tastes with relatively slim development costs. Mr. Volkmann said he saw a measure of flexibility in Honda's management that allows the company to design and introduce consumer-sensitive products at precisely the right moment. "It is a young-thinking company with little bureaucracy."

Alexander Kinmont, a Morgan Stanley strategist, offered a macro explanation of why shares like Sony and Honda likely will appreciate: Given an investment environment where people do not expect long-term interest rates to rise much beyond 4 percent, "it is very easy to come up with arguments that these shares should trade, based on Japanese interest rates, in the high 20s multiples of earnings," because the companies offer average earnings growth rates in the neighborhood of 10 percent to 15 percent.

JAPAN & KOREA INDUSTRIAL ASIA

Along similar lines, consider another global brand, TDK Corp., a high-tech manufacturer that carved a special niche in the world marketplace for electronic parts like recording devices for hard-disk drives, microcomponents for telecommunication products and high-density data-storage media.

Electronics parts, such as resistors and condensors, is one area in which Japanese companies hold an edge, said Fumihide Goto, an analyst at Daiwa Reseach Institute. "Western communication gear makers like Motorola and Nokia cannot produce their terminals without the benefit of Japanese-made electronic parts," he said. TDK, Mr. Goto said, leads this area of Japanese industry on the strength of shrewd management.

The numbers support that view: The 27.7 billion yen net profit for the year ended in March 1996 was twice that of the previous year, and the company has predicted the figure would reach 50 billion for the year ended in March 1997. This number is inflated partly by the sales of its American subsidiary, Silicon Systems Inc. But even without it, the 1997 net profit likely exceded 32 billion.

Among the factors that brightens its prospects is TDK's early move and the resulting technological upper hand in the production and refinement of magneto-resistance heads. These high-density computer reading and recording devices are expected to replace conventional magnetic heads, which now account for 70 percent of the market.

Continued on Page 19

Few Bottom Fishers Bite in Seoul

By Judith Rehak

FOR a textbook case of the pros and cons of investing in times of political risk, look no further than South Korea. Looming over the country is the threat of North Korea, its economy collapsing, its population starving — and its constant possibility of political upheaval.

On the domestic front, the financial collapses of Hanbo Steel Co. and Sammi Steel Co. amid charges of bribery of government officials have underscored South Korea's political problems, and its economic woes, such as its soaring trade deficit.

Tensions are simmering between workers, who expect lifetime employment, and company management, who are losing valuable export markets to countries with lower labor costs. A new law that allows companies more freedom to lay off workers, although watered down, exploded into nationwide strikes in February. Presidential elections, a possible flashpoint for civil unrest, are scheduled for this year.

Unsurprisingly, many foreign investors have concluded their money is safer elsewhere. A survey of 87 Asian regional equity funds by Micropal Ltd. disclosed that South Korea allocations tumbled 43 percent last year. In the last quarter of 1996, $160 million fled the country's stock market, compared with $37 million in the third quarter.

But it is also an axiom of emerging-market investing that times of political turmoil can spell major buying opportunities. "There are patterns you can follow," observed Frank Chiang, manager of the $30 million Emerging Asia Fund for Montgomery Asset Management in San Francisco. He cited two such opportunities since within the past year, when riots in Jakarta caused Indonesia's market to temporarily lose about 15 percent of its value; and when China fired missiles in the Strait of Taiwan in February 1996 in an effort to influence Taiwan's elections the following month. "There was a significant group of people who were saying China was really going to invade, and got every single penny out of the market," Mr. Chiang recalled, "but the Americans stepped up and sent an aircraft carrier in, and right after the election, the market recovered" with the main index rising to 6,000 from 5,000 in one week. It closed Friday at 8,326.53.

To be sure, the comebacks from these events were fairly rapid. But in South Korea, where politics and economics are closely intertwined, as the government has controlled an ascent to become the 11th-largest economy in the world, many observers believe that recuperation could be long and painful.

Nevertheless, when the Seoul stock market fell to a 12-month low of 611 in January, Mr. Chiang, who avoided South Korea all last year, decided to do some selective bargain hunting. He now has 5 percent of his fund in picks like Pohang Iron & Steel Co., the country's largest steelmaker. An integrated mill operating on a much larger scale than the failed Hanbo and Sammi groups, Posco is the cheapest steel stock in the region.

"At this price, the risk is low," said Mr. Chiang, who also owns Han Wha Corp., a petrochemical concern and Yukong Ltd., South Korea's top oil refiner.

Another fund manager who declares himself "moderately optimistic" on South Korea is Michael Winter, the Hong-Kong based manager of the Asia New Horizon fund for the Union Bank of Switzerland. He has 17 percent of his $700 million fund invested there, and like Mr. Chiang, is attracted by the bargain prices. "You just don't find such low valuations anywhere else in Asia right now," he said.

Recently he bought Samsung Electronics Corp., whose shares have been battered by plummeting world computer chip prices. "We did an analysis when it was around 50,000 won, and even excluding their chip business, we thought it could stand on its consumer electronics and telecom equipment products, and its stakes in other companies," he said. "Most foreign investors think of it only as a chipmaker." The stock currently trades around 60,200 won. Mr. Winter also owns Korea Electric Power Corp., the state-run utility, and Korea Mobile Telecom.

Still, the negative camp on South Korea has far more adherents. "Our house view is to be underweight," said David Kadaranch, chief of research for Jardine Fleming Securities in Seoul. The most important question for investors, in his view, is whether the first signs of badly needed economic reform will remain on track.

"The real risk," he said, is that Korea, whose economy is modeled on Japan's, ends up like Japan was in 1990 and is about to enter five to seven years of minimal growth or recession. You could call it a political risk, because if the government doesn't have the inclination or ability to reform the system to deal with that, it could happen," he said.

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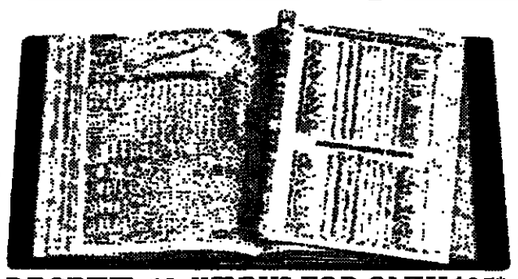

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Citiinvest EGP ECU Ecu 107331.00
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Citiport LSPEC $ 278.41
Citiport Eurmos Ecu 162.80
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THE MONEY REPORT

South Korea's Industrial Giants Are Not Geared Toward Investors ...

By Conrad de Aenlle

FEW markets are as friendless as Korea's — expressed in dollars it is down about 40 percent from its 1995 peak — and few companies there are as unloved as the *chaebol*. These giant industrial conglomerates are the pillars of the Korean economy, but they are also deeply in debt, critically dependent on the economic cycle and more interested in expansion than profits.

The biggest and best known of the chaebol — Samsung Corp., LG International, Hyundai Corp. and Daewoo Corp. — suffered share-price declines approaching 75 percent, far more than the broad market. That made them cheap enough for some buyers, and they have bounced high off their lows during the last few months.

They got a further boost in late March when the government raised the ceiling on foreign ownership of corporate equity to 23 percent from 20 percent. The chaebol are the most liquid Korean companies, making them prime targets for money managers who allocate assets to countries based on each one's weighting in a stock index.

Looking at them strictly as businesses and not as wedges in an indexer's pie chart, there are sound reasons why investors remain skeptical about prospects for the chaebol and believe that further price gains will be hard to achieve.

"They never run out of ambitious expansion plans," said Shahreza Yusof, who manages Asian portfolios for Abstrust Fund Managers in Singapore. "The chaebol are in all sorts of businesses. The main complaint we would have with Korea is that companies expand without fully considering profitability. They focus on sales and market share and less on profits. When they make money, shareholders never see a cent of it."

Samsung Electronics Corp., which like many other subsidiaries of Korea's largest chaebol is publicly listed, is one of the best semiconductor companies in the world, he acknowledged. Many other Samsung entities are mediocre, however, so the benefits to investors in Samsung Corp. are diluted. Even investors in the chip-making company get shortchanged, he said, because its profits "are used to subsidize bad businesses, not shareholders in Samsung Electronics."

That's largely a moot point now. Samsung Electronics's earnings fell 90 percent last year.

A swift decline in Korean exports and slower economic growth — gross domestic product is forecast by a consensus of investment houses to expand 5.8 percent this year, slowing from 6.9 percent last year and 9 percent in 1995 — reflects the deterioration in sales of chips and in the other cyclical industries the chaebol favor: cars, shipbuilding, chemicals, steel and so forth.

In such industries anywhere, when things go bad, they go very bad. For the chaebol, it is worse because of the extraordinary debts they carry, a remnant of the days when the government ensured cheap credit went to the chaebol.

"As a result of government policy to support big business, the ministries of finance and industry had a concerted effort to divert the savings of the people to government-run banks and then to the chaebol," said Mark Mobius, a fund manager at Templeton Investment Management. "That helped them to spend on capital equipment and expand in a big way. Now they have to pay the price."

Some companies, he said have debt that is up to seven times the value of their equity.

The authorities suddenly ended the party, reforming the system of easy credit and introducing other measures to restrict chaebol activities as part of an effort to open the economy.

The result has been a rapid expansion of manufacturing abroad, to other parts of Asia and to Eastern Europe, where labor is cheaper and there is less regulation.

As their country opens its markets, unless the chaebol develop business out of Korea and globalize their operations, "they'll meet the same fate as companies did in Taiwan," said Barry Willmore, managing director of LG Electronics U.K. "A lot went out of business when they let in foreign competitors. The cash cow that was Korea's domestic market is not to be forever. The ambitions of the chaebol to become global operators is such that investing in foreign markets is essential."

Such ambition may pay off in the end. Simon Nicholson, head of Far East investing for the Gartmore fund-management company, said rapid chaebol expansion, first at home, then globally, has given the companies valuable brand recognition among consumers.

"They've concentrated huge amounts of financial firepower on certain industries, so they've carved themselves a niche," he said. "Ask anybody on the street and they can probably name three or four Korean companies. Ask them to do that with Taiwan, and you'll get a blank stare."

Many investors, however, are unconvinced that it is time to move into South Korea. James Hancock, a fund manager at Guinness Flight, described his company as "neutral to underweight in Korea." It owns shares in some chaebol subsidiaries, but not in the parent companies.

"Margins are very small," he observed.

John Kim, who follows Korean companies for CS First Boston, was more favorable, at least about Samsung. "Profitability will pick up substantially," he predicted. He also pointed out that the company was trading at a deep discount to the value of its assets.

... But Japan's Behemoths Get Better

By Aline Sullivan

INVESTORS seeking bargains need not look under every rock. Some of the world's biggest companies may be among the most overlooked. Shares in the Japanese trading behemoths Mitsubishi Corp., Mitsui Corp., Itochu Corp., Marubeni Corp. and Sumitomo Corp. are surprisingly cheap, particularly for dollar-based investors.

That these shares are cheap is nothing new — they have languished since the early 1970s — but it is nevertheless remarkable given all the factors in their favor, some analysts said. The trading companies should profit from proposed changes in Japanese legislation to allow holding companies and relax foreign-exchange rules, while gains from rising commodity prices and favorable currency movements already are being felt.

The shares are overlooked partly because these groups, which all rank among the world's 10 biggest concerns by revenues, are arguably the least understood by investors. Few analysts cover them and even fewer journalists write about them, even in Japan.

There are reasons for this inattention. Until recently, these companies have looked pretty unexciting. They owe their revenue to high business turnover rather than authentic sales: none is a leader in profitability. For example, a multimillion-dollar deal to explore for energy resources in Indonesia may sound impressive, but the trading group's net income from it is tiny.

Just as significantly, the companies' unwillingness to divulge much financial information has not helped instill confidence, nor has their convoluted structure and myriad holdings. Japanese companies generally value assets at their purchase prices, no matter how old. Worse for the balance sheet is their inability to write off losses from new ventures against tax. That means trading companies, which are consistently investing in long-term projects, often in developing countries, almost inevitably record low earnings.

"It is impossible to cover the trading companies as any normal stock because they are so big and so diverse and have such poor disclosure," said Mike Goodson, Japanese strategist at Smith Barney in New York. "But as the Japanese stock market becomes more efficient and more open to Western investment ideas, these companies should become more accessible."

Some of these sleepy giants appear to be stirring. They are divesting themselves of unprofitable operations and expanding in such rapid-growth areas as telecommunications. Better still, they are shedding some light on their workings as part of an effort to make themselves more appealing to investors and better regulate their own management.

"The trading companies have become more transparent since the Sumitomo disaster," said Yushiro Ikuyo, a banking analyst at Smith Barney Inc. in Tokyo. "That makes them more attractive." Unauthorized copper trading resulted in a loss of $1.9 billion for the first half of this year, the first loss in Sumitomo's 77 years of operation.

Mike Goodson, Japan strategist at Smith Barney in New York, asserted that the trading companies will be the "ultimate winners" if the Japanese government passes legislation to allow the creation of holding companies. "This will make the trading companies the ultimate venture capitalists," he said.

Mr. Ikuyo agreed: "The trading companies will be the major beneficiary of the creation of holding companies in Japan. The new law, if it passes, will help them restructure and attract financing."

The trading companies could receive a further boost if the government carries out its plan to allow companies to conduct their own foreign-exchange transactions without using a bank as an intermediary, he said.

The bill to eliminate the prohibition against holding companies was introduced in the Diet in March and is expected to be approved next month, analysts said. That will mark the end of the postwar era in Japan. The powerful holding companies, or *zaibatsu*, were forced to dissolve in 1945 by the American occupation authorities. That "caused such a shock to the Japanese economy that for the next 50 years business and the bureaucracy worked together to ameliorate its impact," according to a recent issue of the New York-based publication Grant's Asia Observer.

The analysts added: "Through production cartels, regulated pricing schemes and other, similar techniques, the public and private sectors have, in effect, created a system that works as if the zaibatsu had been left whole. The result is a domestic economy that is notoriously rigid, cumbersome and opaque."

With the "renaissance" of holding companies, the publication added, the trading concerns should become leaner, more open and more competitive versions of their current selves.

"For years their mission was to make sure that Japan Inc. never ran out of oil and other commodities," said William Arah, a director of the fund manager Marathon Asset Management in London.

"But now you should think of them as investment houses," he said. "We don't know yet how big they are and how big their assets are but if you have a 10-year view you will probably find yourself owning some pretty interesting stocks."

Why to Seek Safety in Foreign Stocks

JAMES GLASSMAN *ON INVESTING*

IS THE correction over? That's the question everyone seems to be asking. My answer is, "I don't know, and you shouldn't care."

The prices of stocks, in concert or individually, bounce up and down in the short run, but in the long run they produce annual returns of 8 percent in real terms, or about 11 percent with today's inflation.

In fact, stocks are such a great deal that, for years, economists have been trying to explain something they call the "equity premium puzzle." In plain English, they wonder why it is that stocks return so *much*, compared with investments like Treasury bills.

The best explanation seems to be that investors are extremely — indeed, irrationally — risk-averse. A century of history shows that if you can hold onto your stocks for at least 10 years, even in the face of some big price drops, you'll end up making very good money. But many investors can't stand that kind of volatility, so, in economic terms, they demand higher returns to compensate.

Risk aversion is simply a fact, and when it comes to stocks, nearly everyone is scared. And that fear causes investors to do some stupid things, such as selling a perfectly good stock because it has dropped. For that reason, it's vital to invest in a way that protects you from yourself.

In simple terms, this means a less risky portfolio — one that's not so susceptible to the extremes of the market's ups and (especially) downs. You can buy bonds or money-market funds, of course, but then you'll sacrifice profits. What's surprising is that there's a way to lower risk while *raising* your returns.

The answer is a carefully balanced combination of foreign and U.S. stocks. "Diversifying Overseas," an excellent new publication from T. Rowe Price, the Baltimore-based mutual-fund house (1-800-638-5660), explains the phenomenon by examining returns and risk of international equities over the past 20 years.

A portfolio consisting of only U.S. stocks "had an average annualized return of about 14.5% . . . and a standard deviation of 14, meaning that two-thirds of the time, the annual return was within a range of 0% to 28%."

But as more foreign stocks were added to the mix, "the portfolio's returns increased, but the degree or volatility, or risk, actually declined."

Return up, risk down! You can't beat that combination. But it doesn't last forever. If you keep adding foreign stocks to your portfolio, return will rise, but so will risk. Price researchers found that the optimal risk/reward allocation "was about 30% foreign and 70% U.S. stocks."

That ideal ratio produced a 14.75 percent return at a standard deviation of 12.95. A portfolio that's 60 percent foreign and 40 percent American had the same deviation as an all-American portfolio but returned nearly 15 percent. A portfolio that's 100 percent foreign had a return of 15.25 percent but with a very high standard deviation of 18.

As you can see, foreign stocks by themselves are riskier than U.S. stocks. So why does overall risk decline when you add riskier foreign stocks to your U.S. holdings? Because the two kinds of stocks don't move in tandem. When American stocks fall sharply in a year, foreign stocks may rise, or at least not fall so much, so they provide ballast for your portfolio.

Let's look at the last four years, during which foreign stocks have been underperforming domestic. A 70-30 mix of U.S.-foreign stocks produced an average annual return of 17.0 percent vs. 17.8 percent for an all-U.S. portfolio. But the 70-30 mix was less risky. Its annual returns went from a low of 3 percent to a high of 30 percent, compared to range of 1 percent to 37 percent for the all-U.S. portfolio.

Will foreign stocks continue to lag, especially with the U.S. economy so far ahead of those in Europe and Japan? Don't count on it. In fact, with unemployment high (11.3 percent for Germany) and growth low (0.8 percent for France), many countries may be hitting bottom, their stocks ripe for purchase.

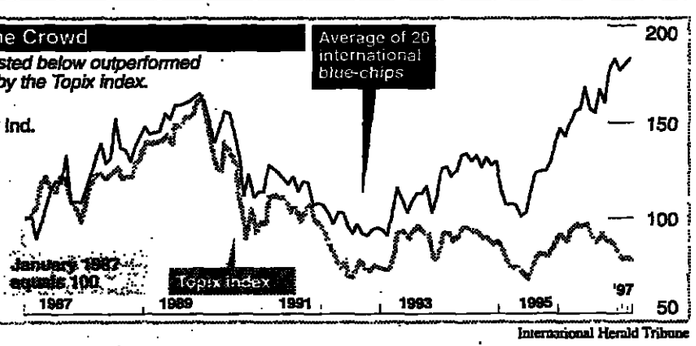
Get diversified into foreign stocks. In a rocky market like this, it can save you from your own worst instincts.

In Tokyo, Standing Out From the Crowd

In the past decade the 20 blue-chips listed below outperformed the broad Tokyo market as measured by the Topix index.

Toray	Denso
Kao	Mitsubishi Heavy Ind.
Takeda Co.	Toyota Motors
Fuji Film	Honda Motors
Bridgestone	Hoya
Sumitomo Electric	Canon
NEC	Ricoh
Panasonic	Mitsui & Co.
Sony	Mitsubishi Corp.
TDK	Jusco

Source: Daiwa Research Institute



International Herald Tribune

Stock Picker's Market Emerges in Tokyo

Continued from Page 17

If budding enterprises with a solid growth potential intrigue you, ponder some of the favorites of Shuhei Abe, president of Sparx Asset Management Co., and a specialist in Japan's over-the-counter market. Mr. Abe, a grassroot researcher, seeks to dig out new, consumer-oriented companies with an inherent mechanism that triggers vigorous growth.

Take Yamada Denki, a chain discounter of home electronics, for example. The Jasdaq-listed company was one of the big chain stores that unleashed a price-cutting drama in the Northern Kanto region over such items as computers, refrigerators and television sets.

Mr. Abe said that Yamada Denki, which is adding stores around the nation and rapidly expanding profit, is better placed than others to survive in an industry with scant growth at a time that consumers are increasingly price-concious. The reason: Yamada Denki operates at a much lower cost than most of its rivals. Its ratio of expenses to sales, at 12.9 percent, is nearly half the level of competing stores, enabling the company to earn high profits even when it slashes retail prices to unbeatable levels. The company's 1994 net profit of 25 million yen had jumped to 1 billion by 1996 and even better results are expected for the year ended in March.

Yamada Denki's share price has followed a downward curve since the middle of last year, when it peaked at 3,460 yen, because of weak prospects for the overall electronics market and because of dilution fears that were kindled when the company sold a 70 million Swiss franc ($47.6 million) convertible bond issue. Not to worry, said Mr. Abe, because the industry revenue valued at 7 trillion yen annually is so massive that there is plenty of room for a low-cost operator like Yamada Denki to grow by increasing its market share. In fact, the money raised from the convertible bond sale will be used to finance new stores.

The company currently trades at 1,950 yen, above the 1,815 yen price at which the Swiss franc bonds can be converted.

Doutor Coffee Co., another of Mr. Abe's selection, is a chain of 500 franchised coffee shops. According to a study by Nomura Securities Co., each unit of Doutor Coffee on average nets four times as much profit as a regular coffee shop on double the sales.

Doutor has an ambitious agenda to deploy 500 additional stores in strategic locations across the nation by the turn of the century in a supposedly no-growth industry.

A Market No Longer in Lockstep

Continued from Page 17

blue chips? Yoshio Watanabe, automobile analyst at Yamaichi Research, finds one. Fuji Heavy Industries Ltd., the maker of Subaru cars, meets all the criteria as an international blue chip, except that its share price has not yet seen a major jump, according to Mr. Watanabe. Fuji Heavy, with its exports booming as the yen slides, is expected to post 44 percent growth in consolidated profit for the year ended March 31, Yamaichi predicted, with enough momentum to carry the boom into the following year.

Like other international blue chips, Fuji Heavy is supported by strong contributions from its overseas units, said Mr. Watanabe, especially from the United States. Even as its shares trade near record highs, Fuji Heavy's consolidated P/E multiple has stayed at 12 times earnings, the lowest among stocks listed on the Tokyo exchange.

For those with a longer-term interest in Japan, it may be useful to observe that senbetsuka also means that powerful players could surface within weak sectors. Experts often name Bank of Tokyo-Mitsubishi and Nomura Securities Co. as hopefuls in banking and brokerage fields, respectively. Scandals at Nomura have analysts divided over its near-to-mid-term well- being, but most agree that the brokerage industry has no serious challenger to the biggest Japanese brokerage house as the entity best prepared to face the advancing waves of deregulation and globalization.

Analysts discuss *zanzon*, or hang-around, merit, a benefit stemming from surviving long enough in an ailing sector until a mass number of "unfit" players exit the market under intense competition. Financial industries, which will be heavily deregulated, could well follow that scenario, they said.

In the same vein, a steelmaker like NKK is well-placed to emerge as a victor in the reconfiguring steel industry, Mr. Ishiyama said.

Finally, a Japan investor might do well to heed this advice: Listen to what analysts say. In a parallel development to senbetsuka, analysts here perceive the market's growing susceptibility to their own views. "Analyst's comments, these days, often serve as a trigger to sell or buy stocks," said Mr. Nakano of Daiwa Research, attributing the trend in part to improved technical methods used by the stock researchers.

Investors are growing choosy over the quality of analyses professionals provide, Mr. Nakano added. "Good analysts will be praised accordingly and poor ones will be weeded out," just like what senbetsuka did to the stocks.

— MIKI TANIKAWA

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Herald Tribune INTERNATIONAL
SPORTS
SATURDAY-SUNDAY, APRIL 19-20, 1997

WORLD ROUNDUP

FIFA Extends Ban On Accused Referee

SOCCER World soccer's governing body, FIFA, on Friday extended a European ban on a former World Cup referee accused of bribery and said it would conduct further investigations into match-fixing accusations.

FIFA said that Kurt Roethlisberger would be "permanently banned from all official activity within FIFA or any of its member associations." It also said it would look into accusations of bribery at a World Cup qualifying match between Switzerland and Norway last November.

UEFA banned Roethlisberger earlier this month in connection with an alleged match-fixing incident before a Champions Cup match last fall between a Swiss team, Grasshoppers, and Auxerre of France. *(AP)*

Irabu Free to Negotiate

BASEBALL Hideki Irabu, the Japanese pitcher who has insisted he will play only for the New York Yankees, may finally get his wish.

The Lotte Marines' general manager, Mitsumasa Mitsuno, told the Kyodo news agency Friday that he was willing to allow talks between Japan's 27-year-old ERA leader and any U.S. major league club.

Previously, Mitsuno had said Irabu's only choice was to sign with the San Diego Padres, who won exclusive negotiating rights to Irabu from Lotte in January. Mitsuno acknowledged there was no "practical solution" to the Irabu problem.

This week, the San Diego Padres' president, Larry Lucchino, met with the owners of the New York Yankees and the New York Mets — two teams among four that have made offers for Irabu, a right-hander with a fastball that has been clocked at 100 miles per hour (160 kilometers per hour).

But Mitsuno added that Lotte planned to ask the Japanese baseball commissioner's office for an investigation into what it suspected were negotiations between Irabu and the Yankees in violation of a bilateral baseball accord.

The Japanese commissioner ruled last week that the Padres had rights to Irabu for this season and next season. *(AP)*

Rain Dampens Test

CRICKET Heavy overnight and morning rain threatened the second day's play in the fifth and final cricket test between the West Indies and India in Georgetown, Guyana, on Friday.

Play before lunch was ruled out with the outfield left sodden in some areas by showers.

India, after winning the toss, crawled to 194 for two on the opening day Thursday. Rahul Dravid, the 24-year-old Karnataka batsman, was unbeaten on 71, in the process crossing 1,000 runs in his 14th test. His captain, Sachin Tendulkar, was 62 not out. *(AP)*

NFL's College Draft: Search for the Dominating Rookie

By Timothy W. Smith
New York Times Service

Shawn Springs, the gifted cornerback from Ohio State, was asked what his expectations were once he was in the National Football League.

"I think I should make an impact right away," Springs said. "I plan on coming into the league and dominating. I can be that kind of player."

Every NFL team with a choice in the top 10 of this weekend's college draft is hoping the player it selects will have an impact or dominate the way Springs expects to do.

Last year, there were several rookies who were of immediate help to their teams. Terry Glenn set rookie receiving records all the way to the Super Bowl with New England. Linebacker Ray Lewis and offensive tackle Jonathan Ogden were prominent players for Baltimore. Running back Eddie George, the Heisman Trophy winner, gave Houston another dimension on offense.

Besides Springs, there are several players in this year's draft who can play well immediately. The most notable ones are offensive tackle Orlando Pace, defensive tackle Darrell Russell, defensive end Peter Boulware and linebacker Dwayne Rudd.

Pace will likely be taken by the St. Louis Rams, who on Thursday night made a deal with the New England Patriots to acquire the draft's No. 1 overall pick. St. Louis sent its No. 6 overall pick, as well as its third-, fourth- and seventh-round selections to New England.

Springs's abundance of confidence about playing in the NFL comes from the knowledge that several of the former Buckeye teammates he practiced against are now doing well in the NFL, namely Glenn, George, and receivers Chris Sanders of Houston and Joey Galloway of Seattle.

Boulware is just as confident as Springs about his impact in the league.

"I don't think anyone ever dominated our defensive front," Boulware said at the scouting combine at Indianapolis in February, referring to his experience at Florida State.

At Seminoles practices, Boulware went up against tackle Walter Jones, who is expected to be drafted in the top 10 and should be the second tackle taken, behind Pace. "Walter Jones is the best I've ever played against," Boulware said.

Players who do well in their rookie seasons typically have great instincts for the game, have advanced knowledge of offenses and defenses and are physically gifted athletes. However, sometimes it is not the physical skills or abilities of the players that determine the impact they will have. Often, it is the offensive or defensive system the player is asked to be part of. And many times it depends on the coach. Some coaches believe that rookies need to be slowly brought along and some like to toss them right into the fray.

Miami Coach Jimmy Johnson is one who likes to use rookies immediately. Last season, Johnson started linebacker Zach Thomas and running back Karim Abdul-Jabbar, and used fullback Stanley Pritchett prominently in the offense.

Last year, Jets Coach Rich Kotite delayed getting receiver Keyshawn Johnson, the No. 1 pick over all, into the starting lineup, even though he came into the league with game-breaking skills. The new Jets coach, Bill Parcells, probably will not make the same mistake with his No. 6 overall pick this year. At New England last season, Parcells did an outstanding job of incorporating Glenn into the offense and melding safety Lawyer Milloy (a second-round pick) and linebacker Tedy Bruschi (a third-round selection) into the defense.

Parcells seemed pleased with Thursday's deal, saying it "gives us some ability to acquire young, fixed-cost players.

"The salary constraints on our team are so great, we have to get our costs fixed. I just felt that one player is not going to help us as much as multiple players — and also we're able to recoup the players we lost. It would have been a very long wait from the second round to the fifth round."

Parcells is interested in another offensive tackle, perhaps Jones, but only if a more compelling defensive player — the Virginia outside linebacker James Farrior or the Nebraska cornerback Michael Booker — is not available.

The Baltimore Ravens have 11 picks in the seven rounds of the draft, including two in the second round. Ravens Coach Ted Marchibroda is looking for a few impact players.

"With our team we have to get guys who can play right away," Marchibroda said. "Three of the first four players we select will have to start. The first two will definitely have to start."

Baltimore has the No. 4 pick in the first round of the draft, which means that if the Ravens keep the selection, they will definitely get a player who can help them right away. There has been talk that they might trade down in the draft, because they do not have the money to pay such a high draft pick.

Last year, the Ravens took Ogden (No. 4 over all) and Lewis (No. 26 over all) in the first round of the draft. Both players turned out to be very productive. "Ogden was an easy choice," Marchibroda said. "He's blessed with everything. There were no 'ifs' with him. He had the complete package. Size, skills and a great football temperament. Ray is the same. He loves to practice and he loves the games. Those are the things you look for in players that you expect to play right away."

Some coaches take it easy on rookies. For example, if they have a tackle that they want to play, they might line up a tight end next to him to help him handle his blocking duties. They may not ask a rookie linebacker to make all the defensive calls.

Marchibroda said he did not scale back his offense or defense for either Lewis or Ogden. He said he was very patient with them, because he knew it would take a while for them to understand the concepts of the defensive and offensive systems. But Marchibroda said he did not spoon-feed them.

Gerald Eskenazi of The New York Times contributed to this report.

■ Redskins Trade Shuler

Heath Shuler's brief and disappointing career with the Washington Redskins came to a close Thursday night when the quarterback was traded to the New Orleans Saints for a pair of draft choices — a fifth-rounder this year and a third-rounder in 1998, Richard Justice of The Washington Post reported from Washington.

Shuler agreed to a four-year, $7.6 million contract with the Saints three weeks ago, but because he was a restricted free agent, he had remained the property of the Redskins until the teams could agree on compensation.

Redskins' General Manager Charley Casserly had been holding out for a third-round draft choice; the Saints had been offering a pair of fifth-rounders. In the end, the sides compromised. The Redskins did get the higher draft choice — in 1998.

And the Saints, who badly need young talent, get to keep their 1997 third-rounder. The Redskins can also enter Saturday's NFL draft with something — albeit a fifth-rounder — to show for Shuler, their highest draft choice in history.

A Goal for the Goalie

Brodeur Turns to Offense in Devils' Victory

By Alex Yannis
New York Times Service

EAST RUTHERFORD, New Jersey — The Devils scored two goals on rebounds en route to a momentous 5-2 playoff-opening victory over Montreal at the Continental Arena.

But the goal that was heard around the National Hockey League, and particularly in the province of Quebec on

NHL PLAYOFFS

Thursday night, was an unimpeded one that came from the stick of Martin Brodeur, the Devils' goaltender, who is a native of Montreal. That goal is one the Canadiens might never rebound from.

Brodeur scored into an empty net with 44.6 seconds left in the game, after Montreal had pulled Jocelyn Thibault for an extra skater in an attempt to wipe out a 4-2 deficit.

"Unbelievable," Brodeur said of his goal afterward. "To get one in a game like this is great."

Great, but hardly a surprise to his coach. "Martin is good with the puck," Coach Jacques Lemaire said. "It's a great asset he has. He can shoot the puck over guys when we kill penalties."

The goal by Brodeur was only the second by a goalie in the history of the Stanley Cup playoffs (Ron Hextall of the Philadelphia Flyers has the other, against Washington in 1989). Brodeur's teammates, aware of his rare feat, mobbed their goaltender the moment his shot slid inside the left post.

Aside from allowing goals into unguarded nets, Montreal's glaring weakness is yielding rebounds in front of its goal, something the Devils were well aware of. So New Jersey kept lurking in the Montreal slot near Thibault every time there was a shot from anywhere.

Eventually, it paid off — twice. Brian Rolston in the first period and Bill Guerin in the third scored goals from rebounds, both after shots by Scott Stevens.

Another goal by Rolston, this one short-handed in the third, and a power-play goal by Shawn Chambers accounted for the other goals for the Devils, who overcame two short-handed scores by the Canadiens in the second period, perhaps the worst 20-minute display of the season by the Devils.

In other games, The Associated Press reported:

Panthers 3, Rangers 0 John Vanbiesbrouck earned his fourth career playoff shutout as host Florida beat New York.

Johan Garpenlov, Kirk Muller and Rob Niedermayer scored for Florida in a nine-minute span in the second period to begin their defense of the Eastern Conference title.

Vanbiesbrouck picked up where he left off last postseason, when he backstopped the Panthers to a triple-overtime 1-0 loss to the Colorado Avalanche in Game 4 of the Stanley Cup finals.

Flyers 5, Penguins 1 Garth Snow made 27 saves in his first playoff start and Eric Lindros had a goal and three assists as Philadelphia beat visiting Pittsburgh. The win put the Flyers up 1-0 in the best-of-7 playoff series, with Game 2 set for Saturday night in Philadelphia. Pat Falloon had two goals and Rod Brind'Amour had a goal and an assist for Philadelphia.

Sabres 3, Senators 1 Brian Holzinger scored one goal and set up another to lead host Buffalo to victory over Ottawa. The Sabres had gone 173 minutes, 27 seconds without a goal against Ron Tugnutt before they scored three times in the final 25:30 of the game in winning their first playoff game in two years.

Colin Braley/Reuters

Panthers' goalie John Vanbiesbrouck reaching for the puck as the Rangers' Adam Graves tries to flip it into the net.

Bullpen Anemia Costs Yankees Fifth in a Row

The Associated Press

The New York Yankees' bullpen failed again as the team lost its fifth straight game, 5-4, to the Milwaukee Brewers when reliever David Weathers walked John Jaha with the bases loaded in the bottom of the ninth.

Andy Pettitte, trying to become the majors' first four-game winner, left with a 4-3 lead after seven innings Thursday night. But the Brewers rallied.

BASEBALL ROUNDUP

tying it in the eighth with a run off Brian Boehringer and winning in the ninth with the help of an error by reliever Graeme Lloyd.

Mariners 8, Tigers 6 Ken Griffey Jr. hit his league-leading eighth homer and Alex Rodriguez had three RBIs at frigid and snowy Tiger Stadium.

Griffey's second homer in as many days highlighted a four-run fifth inning that gave the Mariners a 4-3 lead. Rodriguez's RBI single in the sixth broke a 4-4 tie and he added a two-run single in a three-run seventh.

Tony Clark hit a homer in his third straight game, his sixth of the season. Jeff Fassero (3-0) pitched the first five innings for the win.

Blue Jays 5, Athletics 4 Otis Nixon had another big game against Oakland with three hits and two RBIs, including the winning single with two outs in the seventh inning.

Paul Quantrill (1-1), who replaced Erik Hanson in the sixth, pitched three scoreless innings and Mike Timlin retired the side in the ninth for the save.

Twins 4, Angels 3 In Minneapolis, Denny Hocking's two-out, run-scoring single in the bottom of the 10th inning capped a three-hit, three-RBI day.

In the 10th, Angels reliever Mike James walked Greg Myers. Todd Walker then doubled to left, sending pinch runner Chris Latham to third. Hocking followed with his game-winning hit.

Orioles 1, White Sox 0 Mike Mussina pitched eight sharp innings and Cal Ripken hit an RBI single as visiting Baltimore beat Chicago. Mussina (2-1) gave up only three hits, walked none and struck out six.

Danny Darwin pitched his first complete game for Chicago, but with two outs in the third, Roberto Alomar walked and Rafael Palmeiro and Ripken followed with singles.

Rangers 5, Royals 1 Outfielder Marc Sagmoen's first major league hit was an inside-the-park home run, helping Texas beat the Royals for its first-ever series sweep at Kansas City.

Sagmoen lifted a towering shot to right in the fifth inning. It hit the wall on a fly and Joe Vitiello let the ball get past him as it rolled back toward the infield.

Indians 4, Red Sox 3 Jose Mesa earned a save as the Cleveland Indians played through the rain to beat Boston.

Mesa pitched a scoreless ninth inning, striking out pinch hitter Reggie Jefferson with runners on second and third to finish it. The Indians snapped a four-game losing streak while stopping Boston's four-game winning streak.

Julio Franco led off the Indians' seventh with a single. Marquis Grissom drew a two-out walk and Omar Vizquel lined a tie-breaking single off Rick Trlicek (2-3). Jim Thome hit a sinking liner to right that Troy O'Leary grabbed with a diving catch to end the inning.

In the National League:

Pirates 3, Reds 2 Jermaine Allensworth grounded a three-run double down the left-field line in the fifth inning and Pittsburgh ran Cincinnati's road losing streak to eight.

Esteban Loaiza (2-0) shook off wintry weather and a run-scoring triple by pitcher Mike Morgan (0-1), limiting the Reds to six hits in seven innings.

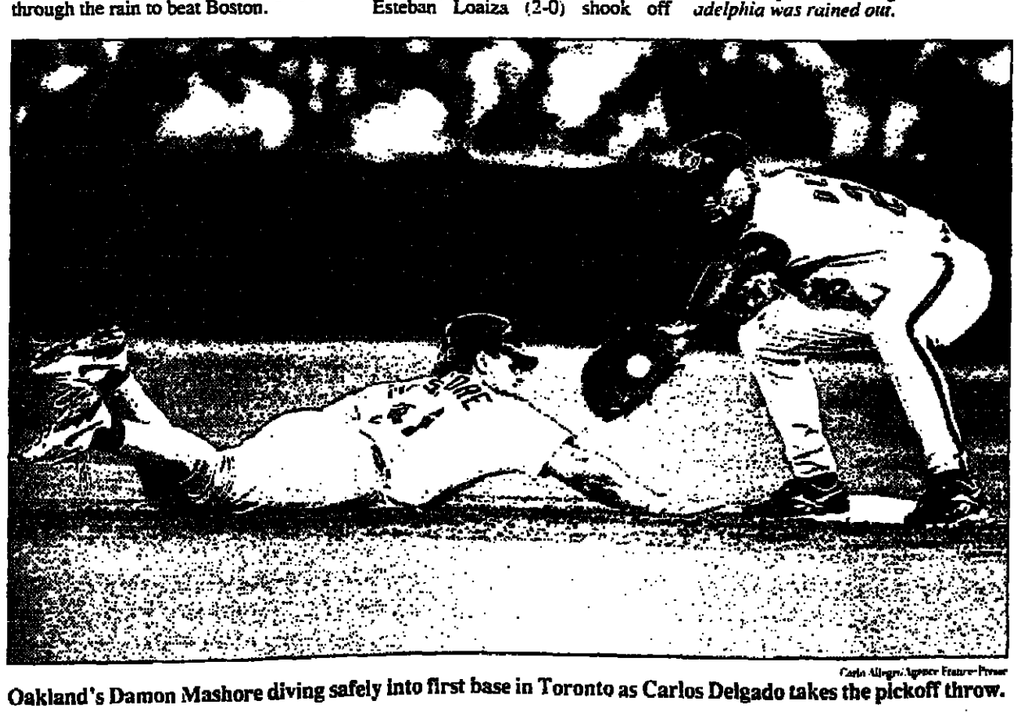
The Reds scored on catcher Jason Kendall's wild throw on a double steal, but Barry Larkin lined out to with runners at first and third to end the game.

Marlins 2, Cardinals 1 Pinch hitter Jeff Conine's solo homer with one out in the bottom of the ninth inning lifted Florida over St. Louis.

Florida tied the game in the eighth against Todd Stottlemyre on a two-out RBI single by Edgar Renteria.

Conine's third homer of the season, against Mark Petkovsek, was just inside the left-field foul pole. Mark Hutton with two scoreless innings, got the win.

The Expos-Phillies game in Philadelphia was rained out.



Carlo Allegri/Agence France-Presse

Oakland's Damon Mashore diving safely into first base in Toronto as Carlos Delgado takes the pickoff throw.

Cup Bidding Turns Ugly

England Accused of Reneging on 2006 Pact

By Rob Hughes
International Herald Tribune

GENEVA — English soccer on Friday gained an outside chance of staging the World Cup in 2006, from which it would profit handsomely.

But it risked damaging not just its own reputation, but the credibility of the English gentleman's word in the world far exceeding sport.

The English and the Germans, foes on the sporting field, were locked in controversy at a UEFA meeting here. The European authority for soccer had earlier declared the German bid for the far-off tournament to be its single candidacy. Germany, after all, had outlined its intention more than four years ago, and the English had been party to an agreement to support that bid.

But a couple of months ago, tasting the glory and 20 million Swiss francs ($13.6 million) in proceeds from the European Championship staged in England last summer, England decided that honor was not the equivalent of future income.

UEFA had to concede, for the time being, that legally it could do nothing to prevent the kind of bidding war that recently cost South Korea and Japan so dearly before the world soccer authority, FIFA, decided both countries could share the tournament in 2002.

No one is suggesting that Germany share with England. Indeed, said UEFA, "having listened to the delegations of both associations, the executive committee noted with surprise that, in spite of being represented in the committee, the Football Association" of England "apparently had no knowledge of the gentleman's agreement within the UEFA executive concerning Germany's candidature to host the 2006 World Cup."

Lennart Johansson, the Swedish president of UEFA and the lone candidate to become FIFA's president in 1998, was embarrassed and incensed. "Each of us knows there was such a gentleman's agreement — I myself was aware and a party to that agreement. I always thought an Englishman's honor, his bond, was given with his word. I am not sure I can think that anymore."

Franz Beckenbauer, the former West German captain and manager of a World Cup-winning German team, had been a catalyst for his country's bid. He said Friday that, in his many contests against England, he had shaken the hand of an English captain, the late and honorable Bobby Moore.

"Like President Johansson," said Beckenbauer, "I am sadder today. I too believed in the integrity of English sportsmen.

"I think it is bad for Europe that two major nations will now spend time and money in competition to stage the 2006 World Cup. All that has happened is that UEFA has shifted the responsibility to FIFA. And generally, when two parties are in disagreement, a third party, in this case perhaps a country from another continent, usually benefits."

The dispute between England and Germany rests on agreements made between Sir Bert Millichip, former chairman of England's Football Association, and Egidius Braun, the leader of the German soccer federation. But England has done away with its former chairman. He is 82. The new English leadership said this: "We are not going to trouble ourselves any further with what may or may not have been said four years ago. We are going forward with our bid, it is our right to do so."

UEFA erred by writing nothing down about the gentleman's agreement.

And it will be a very long time before other European soccer nations vote for England on anything.

مكتبة من الأصل

SPORTS

Lakers Get It Together

L.A. Is 3-0 Since O'Neal's Return

The Associated Press

Finally, the Los Angeles Lakers have their full complement of players. And none too soon, since the playoffs begin this week.

Shaquille O'Neal scored a season-high 42 points and grabbed 12 rebounds, and Elden Campbell, hampered by a bruised buttock the last few weeks, had 21 points Thursday night as the host Lakers beat the Sacramento Kings, 108-99. "If we can just stay focused and keep playing hard, the sky's the limit for this team," O'Neal said. "It's playoff time, and I like to raise my level come playoff time."

The Lakers remained a half-game behind the Pacific Division-leading Seattle SuperSonics, who won at Denver.

Since O'Neal returned after missing 28 games because of an injured left knee, the Lakers are 3-0. They have won 10 of their last 12 games.

O'Neal, averaging 35 points and 12 rebounds since his return, was 15 for 31 from the field and a surprising 12 for 14 from the foul line.

Normally a poor foul shooter, O'Neal made all 10 of his free throws in the second half. Entering the game, he had made 46.9 percent of his free throws this season.

Mitch Richmond led Sacramento with 23 points. Brian Grant had 19 points and 10 rebounds and Olden Polynice had 14 points and 11 rebounds for the Kings, who lost for just the second time in six games after they blew their playoff chances by losing 13 of 14.

Sonics 108, Nuggets 104 Shawn Kemp had 27 points and 12 rebounds as Seattle handed host Denver its 10th successive loss. Gary Payton added 24 points for the Sonics, who swept all four of their games with the Nuggets this season.

Antonio McDyess had 29 points and Dale Ellis 27 for the Nuggets, who finished with a franchise-worst 12-29 home record.

Jazz 106, Warriors 93 At Salt Lake City, reserve Chris Morris scored 15 points, including three 3-pointers in the fourth quarter, as Utah beat Golden State. Karl Malone scored 20 points in 26 minutes, but it was the Utah reserves who helped the Jazz pull away to their 17th victory in 18 games. The Jazz swept their series with the Warriors for the first time since 1977-78. Chris Mullin led Golden State with 19 points.

Trail Blazers 105, Grizzlies 73 The host Grizzlies lost their 68th game, one more than they lost during their inaugural season. Rasheed Wallace scored 21 of his 25 points in the first half for the Blazers, who have already locked up the No. 5 seed in the Western Conference playoffs. The Grizzlies, who posted an NBA-worst 15-67 record last year, fell to 13-68 with one game remaining.

■ Iverson Honor Upsets Malone

Karl Malone, the veteran star of the Utah Jazz, is appalled at the NBA's choice of player of the week — Allen Iverson, a rookie with the Philadelphia 76ers, according to The Associated Press.

Iverson averaged 44.5 points during a four-game stretch, scoring 40 or more points in five successive games. But his team was 0-5 last week.

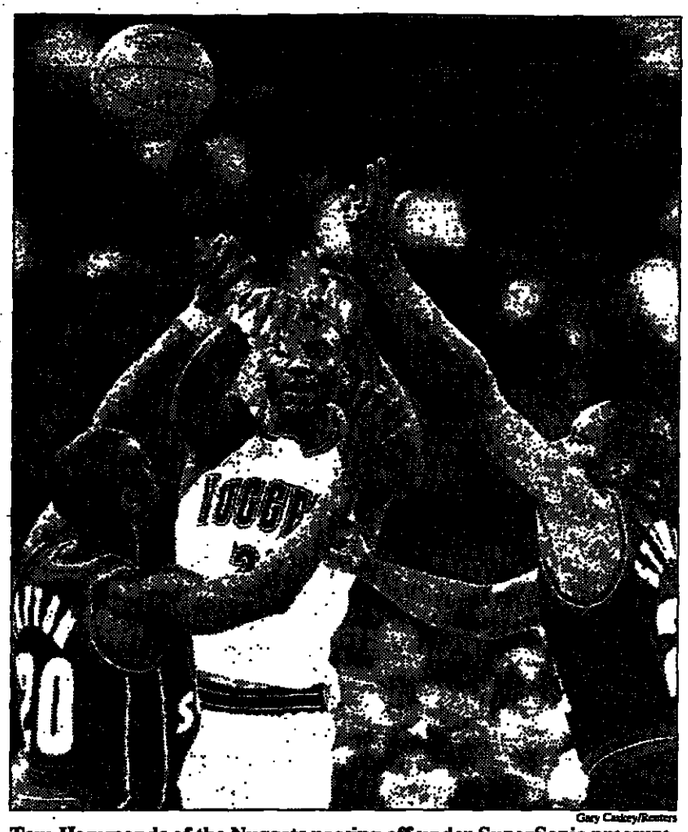
"It's a mockery of the game," Malone said. "Oh-and-five and you score 40? So what? In this game, the name of the game is to win with pride, or to lose with pride." The coach of the Vancouver Grizzlies, Stu Jackson, questioned the 76ers' tactics.

"To do what they did, running up and down, letting him go, just take 25-30 shots a night, I don't know if that's the right way to go about it," said Jackson, who also has a star rookie in Shareef Abdur-Rahim.

"Shareef could probably score 40 as well, but we're trying to continue to develop our team and stay within the confines of the integrity of the game. And I don't know whether they necessarily did that in Philly."

Malone's indignation is nothing new. Earlier in the season, he dubbed certain young players "knuckleheads" for their approach to the game.

Charles Barkley and Michael Jordan also have decried the antics — especially the arrogance — of some new players, with Iverson's name most prominently mentioned.



Gary Cestey/Reuters

Tom Hammonds of the Nuggets passing off under SuperSonic pressure.

A Breeze for Krajicek At Windy Japan Open

The Associated Press

TOKYO — Top-seeded Richard Krajicek, yielding only nine points on his own serve, cruised past David Prinosil of Germany, 6-4, 6-3, on Friday and into the semifinals of the Japan Open.

Krajicek served nine aces and said later, "Any time I needed a big serve I got it." His only complaint was about the second set: "I wasn't aggressive enough. I think I could have broken him a few more times."

Krajicek, of the Netherlands, next faces the No. 6 seed, Patrick Rafter, who outplayed fellow Australian Todd Woodbridge, the fourth seed, 6-4, 7-6 (7-3) in gusty winds.

The No. 5 seed, Thomas Johansson of Sweden, who has a 16-1 match record and two tournament titles since March 10, beat No. 13 Mark Woodforde of Australia, 6-3, 6-4. His semifinal opponent will be No. 16 Lionel Roux of France, who beat an injured Boris Becker in the round of 16 and then drubbed No. 7 Martin Damm of the Czech Republic, 6-3, 6-1, in the quarterfinals.

Krajicek, who is 13-4 in singles play this year with one tournament title, broke Prinosil in the first game of each set. On his own serve, he lost the first point and did not lose another until the first set's last game, when he was passed once and double faulted once. But he also served three aces in that game, at speeds of 189 to 211 kilometers per hour (118 to 132 miles per hour).

"If I keep playing like this, I think I have a very good chance of winning here," said Krajicek, the 1996 Wimbledon champion who is ranked 6th in the world by the ATP.

The wind worsened later for the Rafter-Woodbridge match. Rafter came back from 40-0 to break Woodbridge in the second set's first game and took a 2-0 lead. But after a time-out to fix one of the singles poles and chase down the ball boys' kneeling mats, blown away by the wind, he lost nine straight points and was even at 2-2. He broke again in the fifth game but was broken back in the 10th. In the tiebreaker, he won four straight points from 3-3 on errors by Woodbridge.

Johansson started and ended by serving love games. Scoring points with a big forehand, he broke Woodforde once in the first set and twice in the second and was broken once in the second.

Roux broke Damm once in the first set and three times in the second as the Czech player had trouble with his first serve and missed volleys.

The frustrations continued later for Woodbridge and Woodforde, the world's top-ranked doubles pair. In a quarterfinal, they lost, 6-3, 6-7 (5-7), 7-6 (7-2), to Rafter and Justin Gimelstob of the United States.

In a women's semifinal, Amy Frazier of the United States advanced to her fourth straight Japan Open final by overpowering Annabel Ellwood of Australia, 6-2, 6-3. On Sunday, Frazier, seeded third, will meet the winner of Saturday's semifinal between No. 2 Kimberly Po of the United States and No. 4 Ai Sugiyama of Japan.

■ Costa Moving to World Top 10

Albert Costa of Spain will move into world top 10 for the first time next week after reaching the semifinals of the Barcelona Open with a convincing 6-4, 6-2, victory over Cedric Pioline of France on Friday, Reuters reported from Barcelona.

Costa, who suffered two singles defeats in his country's recent Davis Cup debacle in Italy, coped better in difficult conditions after a stoppage for rain at 5-3 in the first set.

Pioline had beaten the top seed, Thomas Muster, in the previous round.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	10	3	.769	—
Boston	8	7	.533	3
Toronto	6	6	.500	3½
Detroit	7	9	.438	4½
New York	5	10	.333	6
CENTRAL DIVISION				
Milwaukee	7	4	.636	—
Minnesota	8	7	.533	1
Kansas City	6	7	.462	2
Cleveland	6	8	.429	2½
Chicago	4	10	.286	4½
WEST DIVISION				
Seattle	10	5	.667	—
Texas	7	5	.583	1½
Oakland	7	8	.467	3
Anaheim	6	8	.429	3½

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	11	3	.786	—
Florida	10	4	.714	1
Montreal	5	7	.417	5
New York	4	10	.286	7
Philadelphia	3	10	.231	7½
CENTRAL DIVISION				
Houston	9	6	.600	—
Pittsburgh	6	7	.462	2
Cincinnati	5	10	.333	4
St. Louis	4	10	.286	4½
Chicago	0	12	.000	7½
WEST DIVISION				
Colorado	10	3	.769	—
San Francisco	10	3	.769	—
Los Angeles	9	4	.692	1
San Diego	8	5	.615	2

THURSDAY'S LINE SCORES

AMERICAN LEAGUE

Oakland	030	010	000	4	7	2
Toronto	010	102	10x	5	12	0

Prieto, A. Small (6), Groom (7), R. Lewis (7) and Molina; Hanson, Quantrill (6), Timlin (9) and O'Brien. W—Quantrill, 1-1. L—Groom, 0-1. Sv—Timlin (1). HR—Oakland, Spiezio (2).

Anaheim	000	102	000	3	11	0
Minnesota	100	200	00x	3	11	1

D.Springer, McElroy (6), P. Harris (9), Holtz (9), James (10) and Fabregas, Leyritz (10); Radke, Swindell (6) and G. Myers. W—Swindell, 1-0. L—James, 1-1.

Seattle	000	041	300	8	16	1
Detroit	010	210	200	5	11	1

Fassero, Hurtado (6), McCarty (8), B. Wells (8), Charlton (9) and Da.Wilson; Lira, Bautista (5), J. Cummings (7) and B. Johnson. W—Fassero, 3-0. L—Bautista, 0-1. Sv—Charlton (4). HRs—Seattle, Griffey Jr (8). Detroit, Ta.Clark (6), Trammell (2).

New York	010	300	000	4	8	2
Milwaukee	100	000	211	5	12	0

Pettitte, Nelson (7), Stanton (8), Boehringer (8), Lloyd (9). Weathers (9) and Girardi; McAndrew, Villone (4), Miranda (7), Wickman (9) and Matheny. W—Wickman, 2-0. L—Lloyd, 0-1.

Cleveland	201	000	100	4	10	0
Boston	020	001	000	3	10	0

A.Lopez, Kline (6), Plunk (7), Mesa (9) and Borders; Wasdin, Trlicek (6), Hammond (7), Corsi (8) and Haselman. W—Kline, 3-0. L—Trlicek, 2-2. Sv—Mesa (7).

HRs—Cleveland, Thome (3), Borders (1).

Texas	000	013	001	5	9	0
Kansas City	100	000	000	1	5	1

D.Oliver, K. Hernandez (9) and L. Rodriguez; Belcher, J. Montgomery (9) and Macfarlane. W—D. Oliver, 1-1. L—Belcher, 1-2. HRs—Texas, Palmer (1), Sojourn (1).

Baltimore	001	000	000	1	9	0
Chicago	000	000	000	0	4	0

Mussina, Ro.Myers (9) and Hoiles; Webster (9); D.Darwin and Karkovice. Kreuter (9). W—Mussina, 2-1. L—D. Darwin, 0-1. Sv—Ro.Myers (7).

NATIONAL LEAGUE

St. Louis	001	000	000	1	4	0
Florida	000	000	011	2	7	0

Stottlemyre, Petkovsek (9) and DiSarcina, Lampkin (9); K.J. Brown, Hutton (8) and Zaun. W—Hutton, 1-1. L—Petkovsek, 1-2. HR—Florida, Conine (3).

Cincinnati	010	000	001	2	8	0
Pittsburgh	000	030	00x	3	5	1

Morgan, Carrasco (5), Remlinger (6), Shaw (7) and Taubensee; Loaiza, Loiselle (8), Rincon (8), Ericks (9), Kendall. W—Loaiza, 2-0. L—Morgan, 0-1. Sv—Ericks (5).

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	11	2	—	.846	—
Yomiuri	6	6	—	.500	4.5
Chunichi	6	6	—	.500	4.5
Hiroshima	5	6	—	.455	5.0
Hanshin	4	8	—	.333	6.5
Yokohama	4	8	—	.333	6.5

FRIDAY'S RESULT

Yakult 3, Hanshin 0

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Kintetsu	6	3	1	.667	—
Daiei	7	4	—	.636	—
Seibu	7	4	—	.636	—
Lotte	5	6	1	.455	2.0
Orix	4	6	—	.400	2.5
Nippon Ham					

FRIDAY'S RESULTS

Daiei 8, Lotte 6
Seibu 6, Kintetsu 1
Nippon Ham 12, Orix 5

BASKETBALL

NBA Standings

EASTERN CONFERENCE

ATLANTIC DIVISION

	W	L	Pct	GB
y-Miami	60	20	.750	—
x-New York	55	25	.688	5
x-Orlando	45	35	.563	15
Washington	42	38	.525	18
New Jersey	24	56	.300	36
Philadelphia	22	58	.275	38
Boston	14	66	.175	46
CENTRAL DIVISION				
z-Chicago	69	12	.852	—
x-Atlanta	55	25	.688	13½
x-Charlotte	54	26	.675	14½
x-Detroit	53	27	.663	15½
Cleveland	41	39	.513	27½
Indiana	39	41	.488	29½
Milwaukee	32	48	.400	36½
Toronto	26	52	.350	40½

WESTERN CONFERENCE

MIDWEST DIVISION

	W	L	Pct	GB
z-Utah	62	18	.775	—
x-Houston	55	25	.688	7
x-Minnesota	39	41	.488	23
Dallas	24	56	.300	38
San Antonio	20	60	.250	42
Denver	20	61	.247	42½
Vancouver	13	68	.160	49½
PACIFIC DIVISION				
x-Seattle	56	25	.691	—
x-L.A. Lakers	55	25	.688	½
x-Portland	48	33	.593	8
x-Phoenix	39	41	.488	16½
x-L.A. Clippers	36	44	.450	19½
Sacramento	33	47	.413	22½
Golden State	30	51	.370	26

z-clinched conference title
y-clinched division title
x-clinched playoff berth

THURSDAY'S RESULTS

Seattle	33	29	25	21	—108
Denver	26	28	28	22	—104

S: Kemp 10-19 7-8 27, Payton 9-18 5-5 24; D: McDyess 11-22 7-9 29, Ellis 10-21 1-4 27. Rebounds—Seattle 44 (Kemp 12), Denver 46 (Johnson 15). Assists—Seattle 18 (Payton, Hawkins 4), Denver 21 (Smith 7).

Golden State	25	25	20	22	— 92
Utah	28	28	23	27	—106

G.S.: Mullin 7-9 5-5 19, Fuller 6-7 2-2 14, Sprewell 4-11 4-4 14; U: Malone 7-9 6-7 20, Morris 5-10 1-1 15. Rebounds—Golden State 48 (Spencer 10), Utah 42 (Malone, Foster, Morris, Howard 4). Assists—Golden State 18 (Booker 5), Utah 26 (Homacek, Eisley, Stockton 6).

Portland	27	23	19	36	—105
Vancouver	20	19	19	15	— 73

P: Wallace 10-15 5-7 25, Sabonis 6-9 2-2 15; V: Peeler 5-12 2-2 16, Mayberry 4-7 3-4 14. Rebounds—Portland 58 (Sabonis, Dudley 9), Vancouver 40 (Abdur-Rahim, Reeves 9). Assists—Portland 25 (R.Robinson 7), Vancouver 17 (Abdur-Rahim 6).

Sacramento	23	24	23	29	— 99
L.A. Lakers	27	23	35	23	—108

S: Richmond 8-16 5-6 23, Grant 8-17 3-3 19; L.A.: O'Neal 15-31 12-14 42, Campbell 7-9 7-8 21. Rebounds—Sacramento 48 (Polynice 11), Los Angeles 49 (O'Neal 12). Assists—Sacramento 25 (Horley 5), Los Angeles 29 (Van Exel 7).

HOCKEY

NHL Playoffs

Montreal	0	2	0	—2
New Jersey	2	0	3	—5

First Period: N.J.-Rolston 1 (Stevens, Guerin) 2. N.J.-Chambers 1 (Holik, Niedermayer) (pp). Second Period: M-Corson 1 (Recchi, Quinn) (sh). 4. M-Brunet 1, (sh). Third Period: N.J.-Guerin 1 (Stevens, Gilmour) 6. N.J.-Rolston 2 (Gilmour) (sh). 7. N.J.-, Brodeur 1, (en). Shots on goal: M- 13-10-7—30. N.J.- 16-4-15—35. Goalies: M-Thibault. N.J.-Brodeur.

(New Jersey leads series 1-0)

Ottawa	0	0	1	—1
Buffalo	0	1	2	—3

First Period: None. Second Period: B-Holzinger 1 (Ward) (sh). Third Period: O-Alfredsson 1 (Yashin, Duchesne) (pp). 3. B-Plante 1 (May, Grosek) 4. B-, Burridge 1 (Holzinger, Galley) (pp). Shots on goal: O- 8-5-10—23. B- 9-12-5—26. Goalies: O-Tugnutt. B-Hasek.

(Buffalo leads series 1-0)

Pittsburgh	0	0	1	—1
Philadelphia	1	2	2	—5

First period—1, P-Falloon 1 (Brind'Amour, Dykhuis) Second period—2, P-LaClair 1 (Lindros, Renberg). 3, P-Brind'Amour 1 (Desjardins, Lindros) (pp). Third Period: P-Jagr 1 (Nedved, Woolley) 5, P-Lindros 1 (Prospal, Ninimaa) (pp). 6, P-Falloon 2 (Lindros) Shots on goal: P- 6-10-12—28. P-15-11-12—38. Goalies: P-Wregget. P-Snow.

(Philadelphia leads series 1-0)

N.Y. Rangers	0	0	0	—0
Florida	0	3	0	—3

First Period: None. Second Period: F-Gerpenlov 1 (Svehla, Mellanby) (pp). 2. F-Muller 1, (Murphy, Svehla) (pp). 3. F-Niedermayer 1, (Mellanby, Svehla) Third Period: None. Shots on goal: N.Y.- 13-16-5—34. F- 10-13-5—28. Goalies: N.Y.-Richter. F-Vanbiesbrouck.

(Florida leads series 1-0)

TENNIS

Japan Open

MEN'S SINGLES

QUARTERFINALS

Richard Krajicek (1), Netherlands, def. David Prinosil (5), Germany, 6-4, 6-3; Patrick Rafter (6), Australia, def. Todd Woodbridge (4), Australia, 6-4, 7-6 (7-3).

Thomas Johansson (5), Sweden, def. Mark Woodforde (13), Australia, 6-3, 6-4; Lionel Roux (16), France, def. Martin Damm (7), Czech Republic, 6-3, 6-1.

WOMEN'S SINGLES

SEMIFINALS

Amy Frazier (3), United States, def. Annabel Ellwood (9), Australia, 6-2, 6-3.

Barcelona Open

MEN'S SINGLES

QUARTERFINALS

Albert Costa (7), Spain, def. Cedric Pioline (16), France, 6-4 6-2. Carlos Moya (4), Spain, def. Andrei Medvedev, Ukraine, 6-4, 6-2.

Alberto Berasategui, Spain, def. Fernando Meligeni, Brazil, 6-2, 7-5.

SOCCER

DUTCH CUP

Heerenveen 5, Helmond Sport (II) 0

FRENCH FIRST DIVISION

Lille 1, Cannes 2

SPANISH FIRST DIVISION

Oviedo 1, Racing Santander 5
Espan 0, Atletico Madrid 0

RUGBY UNION

Super 12

Australian Capital Territory 15, Otago 9

TRANSITIONS

BASEBALL

MAJOR LEAGUE BASEBALL

AMERICAN LEAGUE

CLEVELAND—Signed RHP Bill Wertz to minor-league contract.

KANSAS CITY—Put OF Jermaine Dye on 15-day disabled list. Recalled C Mike Sweeney from Omaha, AA.

MINNESOTA—Put DH Paul Molitor on 15-day disabled list, retroactive to April 14. Recalled OF Brent Brede from Salt Lake City, PCL.

OAKLAND—Called up C Brent Mayne from Edmonton, PCL. Put C George Williams on 15-day disabled list, retroactive to April 14.

SEATTLE—Promoted RHP Chris Beck from Lancaster, CL to Memphis, SL.

TORONTO—Optioned RHP Robert Person and RHP Luis Andujar to Syracuse, IL.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

CLEVELAND—Activated G Bobby Phills from injured list. Put G Carl Thomas on injured list.

WASHINGTON—Activated C Lorenzo Williams from injured list. Waived F Ashraf Amaya.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

CINCINNATI—Signed FB Scottie Graham to 2-year contract.

DENVER—Signed OT Harry Swayne and QB John Roberts.

MINNESOTA VIKINGS—Agreed to terms with RB Robert Smith on 1-year contract.

N.Y. JETS—Traded first-round draft pick, first overall, to St. Louis for Rams first-round pick, No. 6 overall, and their third-, fourth- and seventh-round picks.

PITTSBURGH—Signed LB Eric Ravotti.

TAMPA BAY—Signed QB Steve Walsh and K Bjorn Nittmo to 2-year contracts. Re-signed S Todd Scott to 2-year contract.

HOCKEY

NATIONAL HOCKEY LEAGUE

FLORIDA—Recalled C Craig Ferguson, C Ryan Johnson, D Filip Kuba and G Kevin Weekes from Carolina, AHL.

LOS ANGELES—Sent RW Nathan Lafayette to Syracuse, AHL.

THE WEEK AHEAD

Saturday, April 19

SOCCER. Guatemala City — CONCACAF, Copa UNCAF, through April 27; Dubai, United Arab Emirates — FIFA, AFC, World Cup qualifying, Asia, first round, Group 3, second phase, through April 26.

FOOTBALL. New York — NFL Draft, through April 20.

GOLF. Cannes, France — PGA European Tour, Cannes Open, through April 20.

RUGBY UNION. Various sites — Super 12, New South Wales vs. Queensland; Northern Transvaal vs. Waikato; Super 12, Canterbury vs. Natal; Wellington vs. Free State; Auckland vs. Gauteng (Transvaal).

Sunday, April 20

SOCCER. Phnom Penh, Cambodia — FIFA, AFC, World Cup qualifying, Asia, first round, Group 5, Cambodia-Yemen; FIFA, CONCACAF, World Cup qualifying, CONCACAF finals, United States vs. Mexico; Lusaka, Zambia — exhibition, Zambia vs. Malawi.

CYCLING. Liege, Belgium — World Cup, Liege-Bastogne-Liege Classic.

BASKETBALL. New York — NBA regular season ends.

Monday, April 21

TENNIS. Monte Carlo, Monaco — ATP Tour, Monte Carlo Open, through April 27; Orlando, Florida — ATP Tour, U.S. Men's Clay Court Championships, through April 27; Jakarta, Indonesia — WTA Tour, Danamon Open, through April 27; Budapest, Hungary — WTA Tour, Budapest Ladies Open, through April 27.

SOCCER. Yerevan, Armenia — exhibition, Armenia vs. Kazakstan.

ATHLETICS, Boston — Boston Marathon.

Tuesday, April 22

BASKETBALL. Rome — European Final Four, through April 24.

SOCCER. Various sites — UEFA Cup, Semifinals, Second Leg: AS Monaco (France) vs. Inter Milan (Italy); Schalke 04 (Germany) vs. Tenerife (Spain).

Wednesday, April 23

SOCCER. Various sites — European Champions Cup, Semifinals, Second Leg: Juventus (Italy) vs. Ajax Amsterdam (Netherlands); Manchester United (England) vs. Borussia Dortmund (Germany).

Thursday, April 24

SOCCER. Various sites — European Cup Winners' Cup, Semifinals, Second Leg: Fiorentina (Italy) vs. Barcelona (Spain); Liverpool (England) vs. Paris-St. Germain (France).

BASKETBALL. Various sites — NBA Playoffs begin.

GOLF. Madrid, Spain — PGA European Tour, Spanish Open, through April 27; Greensboro, North Carolina — U.S. PGA Tour, Greater Greensboro Chrysler Classic, through April 27; Tsukuba, Japan — Japan PGA, Kirin Open, through April 27.

Friday, April 25

AUTO RACING. Imola, Italy — Formula One, Grand Prix of San Marino, practice.

RUGBY LEAGUE. Sydney, Australia — Super League, Australia vs. New Zealand.

DENNIS THE MENACE

"Boy, I don't know what Joey sees in his *invisible* friend."

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ORMUF

MAORA

RULSAW

ZUROAT

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: A ____ ____ ____ ____

(Answers Monday)

Yesterday's Jumbles: CHASM SKUNK FURROW BUCKET
Answer: When comedians plunged the barber suspect into—FUTURES SHOCK

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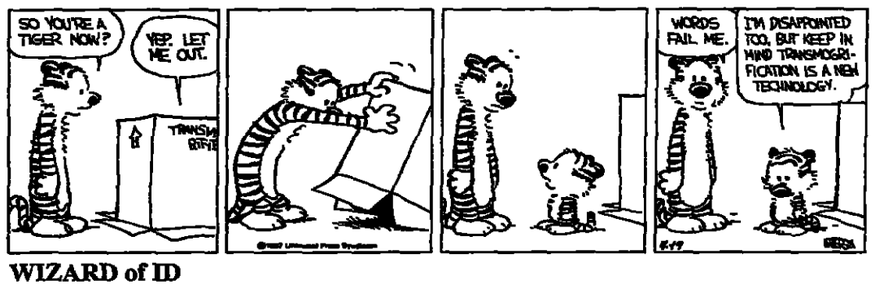
GARFIELD

BEETLE BAILEY

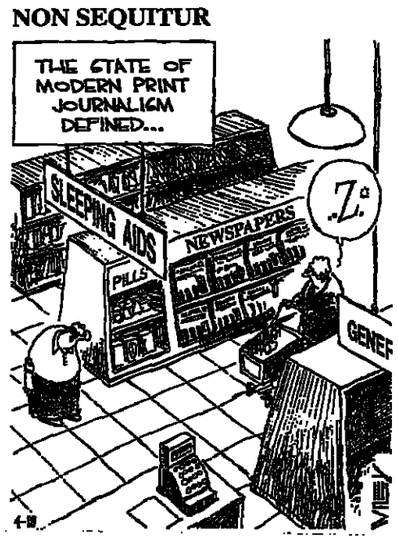
BLONDIE

CALVIN AND HOBBES



WIZARD of ID

NON SEQUITUR



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DOONESBURY

DAVE BARRY

Doing My Public Service

MIAMI — I recently received some very exciting mail. And I'm not talking about a sleazy letter from some magazine-selling outfit claiming I won a sweepstakes. I'm talking about a sleazy letter from the Majority Leader of the U.S. Senate, Trent Lott.

Trent — I call him "Trent"; he calls *me "David" — informs me that I* "have been nominated as one of Florida's 15 representatives on the Republican Presidential Roundtable." Trent explains that the roundtable is "a unique group of only 400 Americans," and that "recently, a vacancy occurred"; he's hoping I will "consider stepping forward to fill it."

"It's not often in life that one is called upon to lead," notes Trent.

This is true. The last time I was called upon to lead was when I was a counselor at Camp Sharparoon, and I led a cabin of 12-year-olds on a nature hike directly into the heart of what had to be North America's largest bee colony. That was in 1966, and the swelling is just now subsiding on some of those campers.

My personal help *in 'shaping and* driving our Republican national agenda.'

Of course the Republican Presidential Roundtable is not interested in a nature hike. It is interested, according to Trent's letter, in obtaining my "personal help and assistance in shaping and driving our Republican national agenda."

I do have some thoughts on that. I think that Item No. 1 on the Republican national agenda would be to introduce a bill that would enable the Senate majority leader to change his first name from "Trent" to something that makes him sound more like the kind of strong legislative stud we want running our Senate, such as "Dirk," or "Buck," or — this would make me very proud to be an American — "Mojo."

□

My other suggestion for the national agenda occurred to me recently when I read about a plan by the federal government to pay hospitals NOT to train doctors. According to a New York Times article that I swear I am not making up, the federal government is going to pay 41 teaching hospitals in New York State $400 million of your tax dollars to stop training so many doctors, thereby stemming "a growing surplus of doctors."

Perhaps your reaction to this program is: "Hey, if there's such a surplus of doctors, how come whenever I try to see one, I have to sit in the waiting room long enough to watch 'Rocky' and all 14 sequels?" This shows why you are an ordinary dirtball taxpayer, as opposed to a health-care expert.

My own reaction to the plan is that it would be perfect with one minor modification: Instead of paying the $400 million to teaching hospitals, we should pay it to law schools, on the condition that they promise to stop producing lawyers, which already outnumber humans in some cities. Naturally, because this is a free country, any given law school would always have the option not to participate, in which case Army tanks *would reduce it to smoking rubble.*

So those are my feelings on the national agenda. Unfortunately, I may not be sharing them with Senator Mojo Lott and the other members of the Republican Presidential Roundtable, because when you get to page two of Trent's letter it turns out that, in addition to my personal help and assistance in shaping and driving the national agenda, they want 5,000 of my personal dollars. And *before I spend that kind of money, I* want to consider what kind of deal I can get from the Democrats.

As I understand it, the Democrats have a whole menu of options for contributors. If you pay so much, you get coffee with the president; if you pay more, you get to stay overnight in the Lincoln Bedroom; if you pay still more, you get to use the Jefferson Bidet; and so on up the donor scale until you reach the level of your major supporters such as Indonesia or Barbra Streisand; at this level, you get the Executive Package, in which you get to appoint an ambassador, veto a bill and launch a nuclear attack against the city of your choice.

Another plus with the Democrats is, it will probably turn out that your donation is illegal, which means they have to give it back.

The downside is, if you give money to the Democrats, reporters will snoop around and eventually link you to "Whitewater" — there is no activity on Earth, including erosion, that is not ultimately connected to "Whitewater" — and President Clinton will issue a statement about you making these points:

1. He doesn't know you.
2. Well, O.K., he DOES know you, but he didn't promise you anything.
3. Well, O.K., he DID promise you something, but it was not technically illegal.
4. But if it WAS illegal, the Republicans do the same thing all the time, and we need to put a stop to it.
5. It was Chelsea's idea.

I don't need that kind of hassle. So I'm frankly thinking that maybe I won't be donating to either political party. Bill *and Dirk will just have to call on some*body else to help them lead, somebody more in tune with the ethical concepts involved in modern political fund raising. I hear O.J. is available.

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Taking the Door Off Ibsen's 'Doll's House'

International Herald Tribune

PARIS — The audience at "Une Maison de Poupee" at the Odeon-Theatre de l'Europe gasps at Torvald's obtuse weakness and cheers his wife Nora's strength and resolution as Ibsen's heroine leaves her doll's house for freedom. The stage direction has become a feminist metaphor: Nora slams the door.

Except that in this production she doesn't. "No, I hate that door business," says Deborah Warner, the English director who is working in French for the first time. Nor does she think Nora is headed for freedom.

"I think it is a terrible end. I think she'll be very unhappy whatever she does because she has left her three children. She can't come back, that's for sure,

Ron Ribas

Warner: "The irony of this play having been hijacked by the feminist movement is very real."

MARY BLUME

and may never want to come back but she wouldn't not want to have her children. She will be forever unhappy. The irony of this play having been hijacked by the feminist movement is very real, isn't it, because it's a terrible finish." If Paris audiences go along with the familiar reading of the text rather than what Warner thinks it says this is because Ibsen is less played in France than in England and because she is still working on the end. (For the press opening, she had Nora come back for a final embrace but discarded that as sentimental.) She is also still working on the play's beginning and, for that matter, its middle. This may be a production best seen well into its Paris run, which ends on May 11.

Originally, Warner wanted to direct "A Doll's House" because Paris audiences have been so welcoming to her English productions, most recently "Richard II," and because she wanted to work with Isabelle Huppert. When rehearsals began Huppert said she was pregnant which Warner thought was fine as Nora could well be pregnant too, but an immense role in which she is hardly offstage proved too much and Dominique Blanc, a respected film and stage actress who played in Patrice Chereau's "Peer Gynt," stepped in and learned the part in two weeks.

This meant the cast only had about four weeks of rehearsal. Warner is moved by their courage and trust in her but, she adds, "Theater shouldn't be made in four weeks and that's the truth." This is especially true of her sort of directing which is based on indirection and patience and not on giving orders.

"I will wait forever because I absolutely believe that if the impulse comes from the actor it is true and not corrupt and you can do anything with it because it's theirs and it will be alive. If the impulse comes from somewhere else it's adopted and extremely difficult to make true. The moment there's a sniff of the direction in which they're going, then you can start to direct. But to start to direct before you know where they're going I think is puppetry and there lies artifice and all the things I hate."

Right now the production, she says, is like a foal struggling to its feet. "We opened while we were still learning the necessary energy to play it. It's a question of voltage which is not the same thing as speed. It's shocking how hard it is to get it up there because somehow the audience perhaps conspire to think that plays in rooms are gentle plays."

Plays in rooms or on conventional proscenium stages are not Warner's style and the last such production she did was also Ibsen, "Hedda Gabler" in Dublin with Fiona Shaw and Stephen Rea. She had to be talked into it, and is very glad right now that she did it because she regards Hedda as Nora's big sister.

"I think Hedda realizes her mistake and thus acknowledges her depression while Nora has no realization until the incredible moment in the third act when she sees she is living a lie. She doesn't know that until her hope that her husband will save her is dashed. I think she's frightened and then very slowly begins to find the language to express it. But I don't think it's simmering away all the time.

"She spent her life making Torvald comfortable, eclipsing any chance of getting hold of the truth by always trying to be happy . Or, as she says at the end, she's never really been happy, just gay."

What Warner had not suspected until doing "Hedda Gabler" is that Ibsen's are deeply emotional plays and are not always seen as such. One reason, she thinks, is that they are pretty awful to read and are lumbered by Ibsen's stage directions which give a fustian conventionality that the text does not really have. Once Warner had freed herself of the stage directions in "Hedda Gabler" she was struck by how radical the plays are.

"I think he's pushing the characters' experience to quite an extreme point and I think if we approach them as domestic plays they are dismal failures. That is what radical is: He was giving us 'Electra' or 'Medea' or whoever in a drawing room which is a fantastic idea because it's true once or twice in people's lives. Happily not every day."

To Warner, Torvald's awakening, when he returns his wedding ring and recognizes that there is an abyss between them, is as terrible as Nora's. Ibsen, once the cobwebby stage instructions have been erased and the embedded clues discovered, is, she says, a playwright for the 21st century.

"*Through the '50s and the '60s and the '70s and the* '80s 'A Doll's House' has had such a stamp on it because it has been the language of the female movement and that's not why it's a good play and it's not the play he was writing. He wasn't writing a play about the freedom of women, I think he was writing about the chances of freedom within a marriage and the difficulty of that and that both parties have to move, to develop and the marriage has to move with that. It is a *portrait of a marriage for me, rather than a portrait of a* woman within a marriage."

The view of a finally emancipated Nora storming to a brighter future doesn't make sense, Warner says. "It's an appalling thing, you can't pay that price for your own enlightenment. She doesn't gain power by speaking those words in *the third act but appears to* lose power. She should hardly be able to walk by the end, I think. She's going into a world that she's so unready for where everyone will behave as badly as her husband did."

Warner is still playing with the notion of Nora making a fleeting return. "I know that there's a strong idea in her returning for a moment after having gone because it's such a shock. And we haven't found the truth in that, maybe there isn't one for these two actors, but I'm still curious about that. Even if she forgot something — a very painful parting with someone and then you forget your air ticket! It's that, isn't it? I think the last scene is all the partings that any actors who play these two roles have ever had, they should roll into it, the painful territory of human parting."

By the 12th performance Warner felt her actors had grasped the freedom which she says is rightly theirs. "It was tremendously moving to watch them take their rights and make the piece their own. I was really knocked out. We have truly begun our journey now."

Her next journey may be hardier still: a performance version with Fiona Shaw of Milton's "Paradise Lost." And maybe one day more Ibsen because she likes digging for lost clues to his work. "I don't know which I would do. The one I dislike the most is 'The Lady From the Sea,' " she said, "and I think I'd probably do that one day because I am sure it's not as bad as it reads."

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PEOPLE

THE Canadian singer **Celine Dion** and the American group the **Fugees** were among the winners at the 1997 World Music Awards, which have only one measure of performance: record sales. In an award ceremony in Monaco hosted by **Princess Stephanie**, the singer **Jon Bon Jovi** and actress **Halle Berry**, Dion won for best-selling pop artist and the Fugees for best-selling pop group. In the rock category, winners were **Alanis Morissette** and **Oasis**. Both also won in the alternative category. **Lionel Richie** and the **Bee Gees** won "legend" awards. The ceremony was taped for worldwide broadcast on June 2. Half the proceeds go to the Princess Grace Foundation, which aids young artists, the elderly, orphans and underprivileged children. The rest will go toward constructing a hospital in Madagascar.

□

Geneva's opera and ballet announced that its 1997-98 season would be staged in the city's former power-generating station, which has been remodeled into a theater. **Renee Auphan**, the director, said the yearlong transfer would allow for a rejuvenation of the company's nearby home, the Grand Theatre. "We considered closing down for a year, but rejected the idea," she said. "We have to keep faith with our public, and keep our team together." City authorities took over the disused station two years ago and reshaped half of it into a theater that can seat around 1,000 people, about 500 fewer than the Grand Theatre.

□

Australian actors, directors and producers joined forces Friday to attack government plans to drastically cut film funding. In a letter to **Prime Minister John Howard**, they said the proposed cuts would have a crippling effect on the industry and lead to a brain drain to Hollywood. The government is expected to almost halve the annual funding of 140 million Australian dollars ($108 million) to Australia's film and television industry. "In a year in which the Australia film industry has garnered huge international respect with the success of 'Shine' . . . and two Oscar winners in **Geoffrey Rush** and **John Seale**, *it seems quite incomprehensible* why Treasury and Finance are pushing for such draconian cuts," the letter said. Rush won the best actor Oscar for "Shine" and Seale the best cinematography award for "The English Patient." The letter was signed by 19 people, including Rush and **Scott Hicks**, the director of "Shine"; *the actors* **Nicole Kidman**, **Judy Davis**, **Greta Scacchi** and **Sam Neill**, and **George Miller** and **Chris Noonan**, the producer and director of "Babe."

□

Sony Music and Entertainment has withdrawn the latest album by **Aerosmith** after protests by Hindus that the jacket denigrated the deity Krishna, *a Hindu group* in New Delhi said Friday. The World Hindu Forum said the company had expressed apologies for the "distorted and offensive" depiction of Krishna on the cover of "Nine Lives." The design showed a *cat surrounded by snakes.* Sony Music's India chief, **Vijay Singh**, said, "There have been protests and the album has been withdrawn from the market. Please let us forget all this."

□

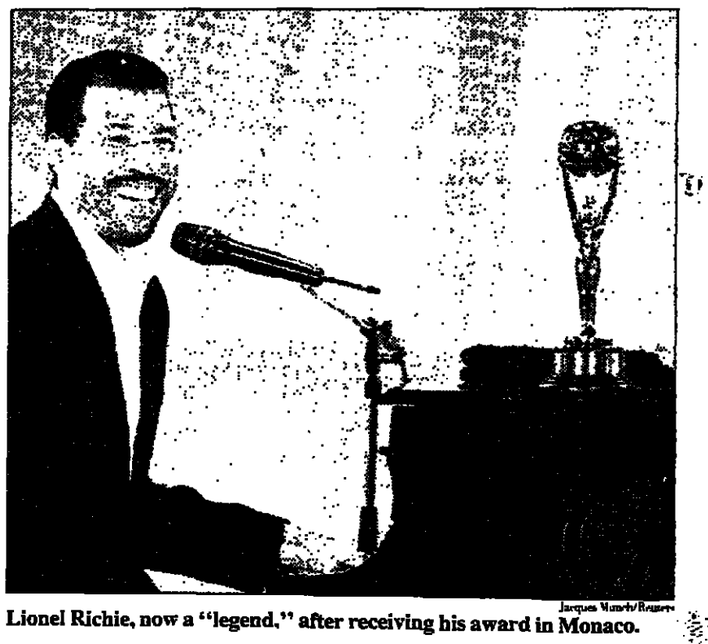
Eartha Kitt received more than a welcome from a college dance troupe — she got some personal history back. Students at Benedict College in Columbia, South Carolina, found her lost birth certificate showing that she was born in the small town of North in 1927, the daughter of a poor cotton farmer, and presented it to her. "I've gone through life wondering who I am," said Kitt, who until now had been *unable to find any* information on her immediate family. "*I had no idea* how I would feel coming home." Her father disappeared a few years after she was born and her mother died when she was 6. Kitt then lived with neighbors, until an aunt in New York sent for her two years later. The singer was in Columbia preparing for a production with the student dancers.

□

To some people, **Lionel Hampton** seems larger than life, and now he will appear that way at the National Portrait Gallery in Washington. **Frederick Brown**, a painter, has done an 8-by-6-foot (2.5-by-1.8-meter) portrait of the vibraphonist and will present it to **Carolyn Carr**, the gallery's deputy director, at a party at Brown's home in New York. "About five years ago, he gave me a photograph of himself, and I decided to use it for a series of jazz portraits," Brown said. "Thank goodness I hadn't given it back when he had that awful fire in his home." Hampton escaped with only the clothes he was wearing from the Jan. 7 fire in his New York apartment that destroyed all his memorabilia.

□

RCA will issue 77 unreleased recordings by **Elvis Presley** to mark the 20th anniversary of his death on Aug. 16, 1977. The four-CD set includes **Bob Dylan's** "Blowin' in the Wind" and songs recorded when Presley was in the army in Germany. RCA said the songs were on tapes discovered in a cabinet that had belonged to Elvis's father, **Vernon**.



Jacques Munch/Reuters

Lionel Richie, now a "legend," after receiving his award in Monaco.

A Rebuke on Masako Rumors

JAPAN'S Imperial Household Agency on Friday expressed its displeasure at local media speculation that Princess Masako is pregnant. "Such speculations are being spread without any grounds, creating a heated situation," **Kiyoshi Furukawa** of the agency said at a news conference. "This has become considerable pressure on the princess, and as someone who is assigned to take care of the princess, I feel very sorry." Princess Masako, the 33-year-old wife of **Crown Prince Naruhito**, had been absent from the public eye for two weeks until Tuesday. She did not attend the dinner last week held by **Emperor Akihito** in honor of **President Roman Herzog** of Germany. Officially, the princess was suffering from a fever. The agency in February also denied rumors that Masako was expecting.

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